

# ***Kenai Peninsula Economic Development District, Inc.***



## **2003 Comprehensive Economic Development Strategy Update**

### **Acknowledgement**

The preparation of this report was financed in part by funds received from the State of Alaska, Department of Community and Economic Development, the Kenai Peninsula Borough and the U.S. Department of Commerce, Economic Development Administration.



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# Table of Contents

|   | Page Number |
|---|-------------|
| <b>Executive Summary</b> .....                              | i           |
| <b>Introduction</b> .....                                   | ii          |
| Kenai Peninsula Economic Development District .....         | ii          |
| <b>Overview – National, State and Borough Economy</b> ..... | 1           |
| The National Economy .....                                  | 1           |
| The State Economy .....                                     | 1           |
| Seafood – the Rural Challenge .....                         | 2           |
| The Decline in the State’s Oil Production .....             | 2           |
| The Borough Economy .....                                   | 2           |
| Economic Trends for the Kenai Borough Region .....          | 2           |
| Common traits .....   | 4           |
| Working Together for the Future .....                       | 6           |
| <b>Borough Communities</b> .....                            | 8           |
| The Central Peninsula.....                                  | 8           |
| Kenai .....   | 8           |
| Soldotna .....  | 10          |
| Nikiski.....  | 12          |
| Sterling.....   | 14          |
| Kasilof.....  | 15          |
| Funny River .....   | 17          |
| The Eastern Peninsula.....                                  | 18          |
| Seward .....  | 18          |
| Moose Pass .....  | 20          |
| Hope.....   | 22          |
| Cooper Landing .....  | 23          |
| The Southern Peninsula .....                                | 25          |
| Homer .....   | 25          |
| Anchor Point.....   | 27          |
| Ninilchik .....   | 29          |
| Nikolaevsk .....  | 31          |
| Kachemak .....  | 32          |
| Seldovia .....  | 34          |
| Port Graham.....  | 35          |
| Nanwalek .....  | 37          |

|  |           |
|--|-----------|
| The Western Side of the Borough .....                          | 39        |
| Tyonek .....   | 39        |
| <b>The Kenai Peninsula Economic Development District .....</b> | <b>41</b> |
| Activities and Accomplishments .....                           | 41        |
| Economic Outlook Forum -- December 2002 .....                  | 41        |
| Funding Summit – November 2002 .....                           | 41        |
| Visitors Industry Summit – March 2002 .....                    | 42        |
| Revolving Loan Fund .....                                      | 42        |
| Business Innovation Center .....                               | 42        |
| Goals & Objectives .....                                       | 43        |
| Economic Strategies .....                                      | 43        |
| Capacity Building – Communities .....                          | 43        |
| Industry Support – Tourism.....                                | 44        |
| Community Forums .....   | 44        |
| Small Business Development .....                               | 45        |
| Lending Programs.....  | 45        |
| Revolving Loan .....   | 45        |
| Micro Loan .....   | 46        |
| Economic Information .....                                     | 46        |

# Executive Summary

Over this past year Alaska, as well as the Kenai Peninsula Borough, experienced significant political change. People of the state of Alaska voted in a new administration. Lisa Murkowski, a state representative, was chosen by Governor Murkowski to replace him and became Alaska's sixth United States senator. Fifty-seven of the 60 state legislative seats were up for election last fall. With the 2000 Census driving redistricting, the borough now shares Senate District R with Kodiak. Three of the four Peninsula state legislative delegations were replaced. Locally, two of the six cities changed mayors and three hired new city managers.

The state legislature passed more pro-business and natural resource friendly legislation than in most past sessions. The state still faces significant fiscal challenges, which are likely to impact, in one way or another, our regional economy as we move forward.

KPEDD has also faced important changes, including the recruitment of a new executive director and the challenge of reduced funding. There is, however, important and pressing work that is underway, including a commitment to assist ten borough communities with their community plans for eventual inclusion in the Kenai Peninsula Borough's Comprehensive Plan presently under development, the ongoing promotion of our revolving and micro loan funds and the administration and support of our business incubation center. We are committed to the active pursuit of partnerships through the Peninsula Economic Council. We intend to foster a close working relationship with our partners and with borough communities.

Our renewed commitment to partnership, focus, and community is reflected in our goals and objectives that are outlined on Page 43 of this document.

# Introduction

Kenai Peninsula Economic Development District, Inc. (KPEDD)- [www.kpedd.org](http://www.kpedd.org)

The Kenai Peninsula Economic Development District, Inc. (KPEDD) is located in Kenai, Alaska, directly south of Anchorage in the heart of Southcentral Alaska. The District's boundaries correspond to the geographical boundaries of the Kenai Peninsula Borough.

Our mission is to serve the residents of the borough by assisting both the public and private stakeholders with services that enhance and foster new wealth creation and to retain and create employment opportunities that ultimately improve their standard of living.

The first Overall Economic Development Program (OEDP) for the Kenai Peninsula Borough was developed in 1971 and, in 1980, the Kenai Peninsula Borough Resource Development Commission (RDC) was established to serve in an advisory capacity to the Kenai Peninsula Borough on economic issues and to continue regional economic planning. The Borough Assembly and the Borough Administration worked in partnership with municipalities and the Kenai Peninsula Resource Conservation and Development District (RC&D) to create a nonprofit economic development district in 1988.

During 1988, the KPEDD was organized as a nonprofit corporation 501c(4) under the incorporation laws of Alaska and received designation as an Economic Development District under the guidelines of the U.S. Department of Commerce, Economic Development Administration, Public Works and Economic Development Act of 1965 (PL 89-136). The articles of incorporation and bylaws of the KPEDD reflect the powers and purposes of these statutes. The KPEDD also has a sister organization, Kenai Peninsula Opportunities (KPO), which is a 501c(3) nonprofit.

In the spring of 1989, KPEDD was the first organization in the state of Alaska to receive the designation as an Alaska Regional Development Organization or ARDOR. With this status, KPEDD became eligible for funding assistance to further regional economic development goals.

The KPEDD board of directors is structured to comply with U.S. Department of Commerce, Economic Development Administration and Alaska state requirements. The sixteen member board of directors includes ten elected officials or employees of participating municipalities, four members appointed by the Borough, all of whom represent economic sectors of the region, one director representing minority groups and one representing the under-employed and unemployed. Active recruitment of women board members resulted in one additional seat representing this underserved population. By seating a board comprised of regional representatives, KPEDD has been successful in serving citizens throughout the borough.

Current KPEDD staff includes an executive director, an administrative coordinator, an administrative assistant and an AmeriCorps VISTA volunteer, serving as a project coordinator.

KPEDD has planning grants with the U.S. Department of Commerce, Economic Development Administration and the Alaska Department of Community and Economic Development. KPEDD also has a contract with the Kenai Peninsula Borough. The organization augments these funding sources with rental income as well as private and corporate donations. Generous sponsors have exclusively funded the community economic forums. Going forward, KPEDD will continue its efforts to expand and diversify its funding base.

KPEDD services include operating a business innovation center, administering both a revolving loan and a micro-loan fund, and offering technical assistance to individuals, communities, nonprofits and businesses.

Constituents include the cities of Kenai, Soldotna, Seward, Homer, Seldovia and Kachemak and the Kenai Peninsula Borough. KPEDD closely works with the Seldovia Native Association, Ninilchik IRA Tribal Council, Village of Tyonek and Salamatof Native Association.

Economic issues that KPEDD addresses include persistent high unemployment, below state and national per capita income levels, seasonal and cyclical swings in the local economy, challenges with micro-enterprise development and political and competing ideologies that hinder cooperation.

# Overview –

## National, State and Borough Economy

This CEDS will briefly look at both the national and state economies in the context of their influence on the local economy. Global factors have, as well, impacted the borough's ability to export and so is also an increasingly important component in local economic growth.

### **The National Economy**

During the past two years, the consensus economic forecast has consistently predicted a robust near-term acceleration in business investment, which has yet to emerge, notwithstanding substantial monetary policy easing and the enactment of two fiscal stimulus packages (with a third signed into law on May 28, 2003).

The sluggish nature of the investment recovery may be partly due to several shocks that have subdued business and investor confidence. These shocks include the September 11 terrorist attacks, a wave of corporate accounting scandals, and the recent U.S. invasion of Iraq. Alternatively, in the aftermath of what many consider to be the greatest speculative bubble in history, it is quite possible that investment is being restrained by fundamental factors that will take longer to overcome. Capacity utilization in the U.S. industrial sector is currently at a 20-year low—only 74.4% as of April 2003. Large amounts of excess capacity combined with technological advances that foster market competition in a global economy have created an environment where many firms lack pricing power. The lack of pricing power restrains the growth of nominal sales—typically an important factor in the determination of a firm's capital expenditure plans. It is worth noting that much of the recent earnings gains of S&P 500 companies have been achieved not through increase in sales but instead through cost cutting measures.

The likelihood of a robust pickup in sales is ultimately linked to the outlook for household spending. The fact that household spending performed so well during the 2001 recession means that there is less pent-up demands going forward. Hence, the upside potential for household spending growth appears rather limited. On the downside, continued weakness in the labor market and the eventual slowing of the mortgage refinancing boom poses the risk that consumers will rein in their spending.

### **The State Economy**

Though historically based on natural resources, Alaska's economy is essentially making the transition to a service-driven economy by government and service/retail related businesses. Only about 10% of the current workforce is employed in the producing sector – making something – comprised of construction, mining, manufacturing, oil/natural gas extraction, and seafood processing.

Small business owners are a vital part of our economy. The latest figures show that about 8% of Alaskans are self-employed. Many of these businesses are in rural Alaska.

Alaska's economy is also very seasonal. This seasonality is being driven by industries such as seafood, tourism, logging, and construction.



Economists typically divide Alaska's economy into three parts: the economic base, private support and government. The oil and natural gas sector dominates the economic base. The economic base also includes seafood, nonresident tourism, mining, timber processing, agriculture and most of the federal government. The private support section services the economic base industries and includes construction, transportation, communication, utilities, retail trade, finance, insurance and real estate.

Government accounts for about 35% of Alaska's economy. Federal funding grew 157% from 1990 to 2002 and accounted for 41.5% of the state's budget in 2002 and 30.5% in 2003

### **Seafood**

The seafood industry is, and has been, a major employer and contributor to earnings for many Alaskans, particularly rural Alaska. There are many issues facing the seafood industry including global competition, allocation amongst the users and managing the resource for sustainability. Global competition, or more specific – farmed salmon, has negatively impacted Alaska's economy. Alaska salmon is the first U.S. fishery to be certified as sustainable.

The fishing industry has stabilized a little in some locations with establishment of Individual Fishing Quotas (IFQ's), and Community Development Quotas (CDQ's) allowing some shore-based processing or allowing communities to enjoy in some economic benefits from offshore processing.

### **The Decline in the State's Oil Production**

North Slope oil production peaked in 1988 with about 743 million barrels per year (just over 2 million barrels per day). After a 13-year decline, oil production leveled a bit in 1999 to 370 million barrels per year. The decline will continue to slow when new oil production comes on line. However, these newer fields are neither as large nor as profitable as Prudhoe Bay.

## **The Borough Economy**

### **Economic Trends for the Kenai Borough Region**

The Kenai Peninsula's economy, like Alaska's, is decidedly seasonal. Industries such as construction, tourism, seafood and wood products are mostly idle during the 'off-season'. Statistics show that there are about 4,100 less employed in the region in January than are in July. Many of these seasonal occupations earn only about 80% of those that are year-round. This seasonality affects other industries such as transportation, retail, trade and energy.

The economic trends for the borough are often difficult to determine since much of the data is kept by the larger Southcentral regional area or Gulf Coast region. However, the Alaska Department of Labor and Workforce Development, Kenai Peninsula Borough, and Alaska Job Service offices give some interesting assistance in determining these trends. Other sources indicate some people do leave the Kenai area in search of employment or because of the economy.

The borough went through a period of recession between 1985-1990, as did most of the state. Since then, the borough has had a growing economy with some fluctuation based on the oil and gas industry and poor commercial fishing and/or season adjustment of the sport fish guiding seasons.

The graph below compares the incorporated areas by 2002 gross sales. Soldotna, because of a diversified economic base and strong wholesale and retail sectors, leads the cities in total gross sales. Kenai, with its strength in agriculture, fishing, oil field support services and financial services, is second in total gross sales. Homer's gross sales are driven by construction, transportation and utilities activities. Each economic category is defined at the end of this report. The leader for each economic activity is denoted in italics.

| <b>Incorporated Communities – Annual Gross Sales by Industry – 2002</b> |                    |                    |                    |                    |                    |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|
|   | Soldotna           | Seward             | Kenai              | Homer              | Seldovia           |
| AFF   | 1,843,070          | 299,221            | <i>9,483,477</i>   | 918,192            | 299,221            |
| Mining  | 410,684            | 377,441            | <i>3,916,074</i>   | 8,582              | 377,441            |
| Construction  | 22,458,877         | 10,959,636         | 17,919,526         | <i>45,964,295</i>  | 10,959,636         |
| Manufacturing   | 3,817,507          | 5,599,479          | <i>10,690,266</i>  | 6,589,772          | 5,599,479          |
| TCPU  | 15,891,117         | 13,026,415         | 27,987,730         | <i>42,123,547</i>  | 13,026,415         |
| Wholesale Trade   | <i>40,287,463</i>  | 2,217,665          | 17,550,115         | 19,987,795         | 2,217,665          |
| Retail Trade  | <i>193,051,862</i> | 52,256,169         | 135,816,144        | 87,127,463         | 52,256,169         |
| FIRE  | 9,124,902          | 7,595,826          | <i>12,402,910</i>  | 8,426,194          | 7,595,826          |
| Services  | 36,282,166         | 43,762,974         | 41,595,775         | <i>50,508,405</i>  | 43,762,974         |
| <b>Total</b>  | <b>323,190,227</b> | <b>136,094,826</b> | <b>277,362,017</b> | <b>261,654,245</b> | <b>136,094,826</b> |
| Annual Change   | 5.8%               | (4.1%)             | (10.2%)            | 14.3%              | (4.1%)             |

Source: Kenai Peninsula CEDD

A definite strength of the borough economy is its diversity. It is easy to recognize that there is more than one industry in the mix. Prominent economic sectors on the borough – most natural resource based – are oil and gas, seafood, tourism, timber, government, retail and services. However, because of global economic pressures, a declining economic base and an aging infrastructure, several major sectors are in decline and struggling to survive. Timber is a fraction of what it once was. Commercial salmon fishing has been devastated by record low prices and reduced allowable harvests. The oil and natural gas sector is in a transition.

| <b>Top Ten Employers on the Kenai Peninsula - 2002</b> |      |
|--|------|
| KPB School District                                    | 1325 |
| State of Alaska  | 880  |
| U.S. Government  | 428  |
| Central Peninsula Hospital                             | 372  |
| Kenai Peninsula Borough                                | 352  |
| Peak Oilfield Services                                 | 349  |
| Safeway/Eagle Stores                                   | 331  |
| Agrium, Inc.   | 278  |
| Fred Meyer   | 249  |
| Frontier Community Services                            | 278  |
| South Peninsula Hospital                               | 247  |

Source: Kenai Peninsula Borough Situations and Prospects 2002 distributed Oct. 2003

The flip side of the coin is that tourism, retail, and service sectors are growing modestly. What is challenging about replacing jobs from those declining industries with jobs in those that have prospered is that incomes are often lower in the growing industries. The outgoing jobs are being replaced by jobs with lower wages.

The diversity of the borough's economy is shown with the makeup of our work force:

|            |     |              |    |
|------------|-----|--------------|----|
| Government | 22% | Construction | 6% |
|------------|-----|--------------|----|

|               |     |                             |    |
|---------------|-----|-----------------------------|----|
| Trade         | 20% | Transportation              | 6% |
| Services      | 19% | Other Manufacturing         | 4% |
| Entrepreneurs | 12% | Seafood                     | 3% |
| Oil/Gas       | 7%  | Financial, Insurance and RE | 2% |

The mix of the borough's manufacturer's is diverse as well:

|                     |     |
|---------------------|-----|
| Seafood Processing  | 40% |
| Chemical Products   | 22% |
| Refinery            | 14% |
| Other               | 12% |
| Wood Products       | 7%  |
| Printing/Publishing | 7%  |

## Common Traits

Communities across the borough struggle with high unemployment and relatively low per capita income. With preservation or improvement of the quality of life a central theme across the borough, these same communities strive to build a year round economy and renovate vacant and or deteriorating buildings.

Borough residents own and use personal computers and utilize the Internet at far higher rates than the U.S. averages. The private sector is responding to demands with regards to broadband services, but many parts of the borough are still without reliable and affordable Internet service. Though the borough has seen improvements, attempts to build the technology portion of the economy have met with disappointment. Communications infrastructure upgrades are needed to provide the speed (broadband) and reliability necessary to increase communication and attract technology dependent industries.

Secondary students in the borough score higher than the national average in math and science. But, as with previous years, many of the graduating students choose to further their education outside the area, and far too few return.

The borough is home to many quality educational institutions and training facilities: the Kenai Peninsula College (KPC), a division of the University of Alaska Anchorage, the Alaska Vocational Technical Center (AVTEC), the Alaska Regional Aircraft Fire Training Center and PRISM (Pacific Rim Institute of Safety Management), the New Frontier Vocational/Technical Center, the Alaska SeaLife Center, the Ted and Catherine Stevens Center for Science and Technology Education (aka: Challenger Learning Center) and the Islands and Oceans Visitors Center. The Kenai Peninsula College has three campuses, with the main campus located in Soldotna and the others in Homer and Seward.

The borough is tagged as a "Great place to live, work and play." Efforts to expand recreational activities are important especially during the off-peak and shoulder seasons. Efforts to better understand the impact of recreation on the local economy are widely supported. Recreational amenities not only bring in tourists, but also add to the quality of life demanded by local residents, as well as those who are considering relocation to the area. There are efforts to create a borough-wide service area for the unincorporated areas for trails. Snow machining is one of the fastest growing activities here on the borough. The borough consistently has good quality and quantity of snow.

To offset the economic slowdown experienced during winter months, many communities are evaluating the addition or upgrading of ice rinks to increase recreational opportunities, and to attract hockey teams and recreational skaters. Tournaments and other similar activities increase the use of restaurants, rental businesses and hotels during the otherwise slow winter months, thereby increasing retail sales.

The 2006 Arctic Winter Games (AWG) is coming to the borough. The AWG are a biennial festival that combines athletic competition, social interchange and cultural exhibition. There would be a direct and indirect impact on the borough's economy associated with the 2006 AWG. The AWG will bring to the borough athletic participants, coaches, sponsors, cultural exhibitors, performers, media and spectators from across the northern continents. The direct impact will come from construction for infrastructure, expenditures, event activities and the visitors and vendor expenditures. In 2000, the Yukon Territory hosted the AWG. Caminata Consulting estimated that the direct impact on their economy was just over \$2.7 million (Canadian) with the indirect and induced impact of over \$555,000 (Canadian). It is estimated that the 2000 AWG attracted a total of 2,730 "week-long-equivalent" visitors to the Yukon Territory.

The borough has a unique opportunity in the cultural/historical arena. Quality of life and enhanced visitor experience both benefit from the area's rich cultural heritage. Independent travelers demand "real" quality cultural experiences. Where else but on the borough can a person experience the excitement and history of the Dena'ina, Alutiiq, Athabaskan, Chugach People, historical Russians and traditional Old Believers, and meet homesteaders, fishers, mining and trapping folks? With a fascinating and unique geology, visitors can learn about the epic 1964 earthquake, tsunami and volcanic eruptions, and at the same time travel the same seaways as Captain Cook. Synergy between the cultural assets and performing arts provides opportunities for peerless cultural activities. Performance arts groups have produced sold-out event after sold-out event in the Central and Southern Peninsula in theater, dance, symphony and other performance arts.

A visitor or potential resident/investor's first impression is critically important; those who enter the borough via the federally designated Scenic National Highway (see below) are in for a visual treat that sets the stage for a stay on the borough. If funded, a display at the Kenai Airport, Seward Rail Terminal, and the Ted Stevens International Airport in Anchorage could showcase the scenic, historical, cultural, winter recreational, wildlife and economic opportunities of the borough.

Some see economic development in only the narrowest of terms, as bringing new cash into the local economy; however, retaining local dollars is just as important. For example, improved access to low-income medical and dental care could prevent the outward migration of dollars. Growth in the agricultural segment of our economy could replace imports while giving local consumers access to higher quality meat and produce. Improving access to affordable housing, assisted living and youth facilities would all support healthy economic development. Borough communities have successfully worked together to provide funding for a Kenai Peninsula Youth Detention Facility. In addition to meeting the needs of at-risk youth, the facility will provide needed services that must be currently accessed by shifting educational, payroll and service dollars outside the borough.

Other important issues in the borough relate to land and resource management of the region. The borough is a location where civilization and wilderness meet and mingle. Because many of

the region's primary industries are based on natural resource extraction or utilization, this proximity has provided unique management challenges to public agencies. With large sections of the borough in public ownership, development requires the cooperation of many levels of government. Increased public pressure to care and safeguard these wild areas and the wildlife within them has added another dynamic to the complicated equation that is resource management in the borough. The method in which borough residents solve these and other conflicts in the coming years will have an impact on the area's future growth and development.

## **Working Together for the Future**

The economic crash in 1986 and the slow recovery that followed prompted citizens of the borough to take a closer look at economic development. As a result, many organizations and government bodies have formed economic development task forces, groups or departments. Resources for economic development exist in the borough. Working together to achieve a shared vision is the challenge facing the borough in the next ten years. The following summarizes groups in the borough with economic development as a primary or secondary focus:

**Chambers of Commerce** in the major cities of Kenai, Soldotna, Homer, and Seward all employ paid staff. These groups aim to increase economic activity in their respective cities, promote their cities as business locations, and increase business opportunities for their members. In addition, the chambers in Soldotna, Seward, Seldovia and Homer act as visitor centers for their communities. Homer's new chamber building houses the Visitors Center and a Business Resource Center. While lacking resources and staff, chambers of commerce in other areas such as Nikiski, Cooper Landing, Anchor Point, Ninilchik, and Funny River pursue economic development goals as well.

**The Kenai Visitors and Cultural Center (KVCB)**, managed by the Kenai Visitors & Cultural Center promotes Kenai as a visitor destination and provides educational and cultural programming, as well as serves as the city's museum. The center has outgrown its exhibit, meeting, storage and administrative space.

**The University of Alaska's Small Business Development Center (SBDC)** provides business assistance to new and growing businesses throughout the borough. Services include free, confidential, one-on-one counseling, and low and no cost seminars. In addition, the SBDC provides a one-stop shop for small business with specialty assistance programs on government contracting, counseling on research and technology grants, and a buyers and sellers network for the state. An extensive resource library and Internet access is available to the public.

**The Kenai Peninsula Resource Conservation and Development District, Inc. (RC&D)** assists the borough's unincorporated communities in addressing social, economic and environmental issues. The Natural Resources Conservation Service (NRCS), an agency known for its partnerships with local communities administers the program for the U.S. Department of Agriculture (USDA) and provides a coordinator to assist the RC&D Board in the implementation of their locally developed goals and objectives. The Kenai Peninsula RC&D has been involved in community development, land conservation, and water quality/quantity related projects in recent years. Through the USDA-NRCS, the RC&D has provided technical and financial assistance for the organization and development of community/watershed planning efforts for many of the regions unincorporated communities. In addition, the RC&D has worked to develop the timber/special forest products industry.



**The Kenai Peninsula Tourism Marketing Council (KPTMC)** is a cooperative regional marketing organization. KPTMC promotes the Kenai Peninsula as a year-round destination and serves as a clearinghouse for visitor information. It produces a much-requested travel planner and distributes to many places outside of Alaska as well as the Tok kiosk, Anchorage airport, Kenai airport and other meaningful locations. KPTMC markets the entire Peninsula and is often the sole tourism voice for the smaller rural communities.

**The Denali Commission** will be five years old this year. This quasi-federal agency oversees federal investment for rural Alaska. They have financed bulk fuel plants, health centers and other community projects. Honorable Senator Stevens wrote the Denali Commission Act in 1998. Locally, they will be funding a \$933K for a Kachemak Emergency Service Area Fire and Community Hall in 2003.

**The Kachemak Bay Research Reserve**, a unit of the Kachemak Bay National Estuarine Research Reserve, is a team of researchers, educators and support staff working to develop an understanding of ecological processes in the Gulf of Alaska. Estuaries are partially enclosed bodies of waters where freshwater from landmasses meet and mix with the ocean's seawater. The Reserve's goal is to conduct ecosystem-based research and to provide outreach of current findings to foster a life-long appreciation and understanding of the coastal environment for all people.

**The Kenai Watershed Forum**, citizens working together for community vitality in a healthy watershed, is a nonprofit organization with conservational and educational goals. The Kenai River is as unique as it is important. Originating in Kenai Lake from glacial melt-water and mountain fed streams, the Kenai River finds its way to Cook Inlet 82 miles away. It provides very important habitation to countless species of wildlife and fish, wetlands, fishing grounds and much more. The users could very easily "love this river to death." The Watershed is dedicated to empowering local folks to maintain the river's water quality and overall health.

**Communities** in the region have at times formed their own economic development committees. Until January of 2000 the city of Homer held regular meetings of an Economic Development Commission. The cities of Kenai, Seward and Soldotna, in partnership with the chambers, hold economic development planning sessions. Loosely organized grassroots groups, such as Seward's ad hoc group and Soldotna's breakfast club, look at economic development issues in their communities. The North Peninsula Community Council in Nikiski and the Community Rivers Planning Coalition in Anchor Point organized economic planning efforts.

Sustainable funding sources for many of the aforementioned nonprofits are a concern. Many rely on pull-tabs revenue and municipal assistance to balance an already tight budget. The legislature increased the amount the state receives from the net amount of pull-tabs from 3% to 15%. Governor Murkowski line item vetoed municipal assistance as well. Several of these organizations will have to rely on reserves or cut back services.

# Kenai Borough Communities

The Kenai Peninsula Borough consists of twenty-seven communities in four population and geographic regions: the Central Peninsula, the Southern Peninsula, the Eastern Peninsula, and the Western Side of the borough.

## The Central Peninsula

The Central Peninsula is located only 60 air miles south of Anchorage. It is home to over 65% of the region's population that includes the cities of Kenai and Soldotna and the communities of Nikiski, Sterling and Kasilof, as well as the surrounding areas. Major industries in the Central Peninsula include energy, the visitor industry, and commercial fishing. The retail, medical and other professional service sector have assumed increasing importance in recent years, as the Central Peninsula has evolved into the region's retail, medical and service hub.

| Kenai                       |   |
|-----------------------------|---|
| Population                  | 7,166 (certified December 2001, by DCED)  |
| Type of incorporation       | Home Rule City  |
| Form of Government          | Council - Manager   |
| City Mayor                  | John Williams   |
| City Manager                | Linda Snow  |
| Regional Native Corporation | <a href="#">Cook Inlet Regional, Inc., CIRI</a>                                 |
| Regional Native Nonprofit   | <a href="#">Cook Inlet Tribal Council, Inc.</a>                                 |
| Village Council             | Kenaitze Indian Tribe, IRA  |
| Village Corporations        | Kenai Native Association, Inc. and <a href="#">Salamatof Native Association</a> |
| Land Area                   | 28.5 miles  |
| Mill Rate                   | 5.0 (City); 6.5 (Borough), 0.6 (Other)  |
| Sales Tax Rate              | 3% (City); 2% (Borough)   |



### Location and Climate

[Kenai](#) is located on the western coast of the Kenai Peninsula, fronting Cook Inlet. It lies on the western boundary of the Kenai National Wildlife Refuge, on the Kenai Spur Highway. It is approximately 65 air miles and 155 highway miles southwest of Anchorage via the Sterling Highway. It lies at approximately 60.554440° North Latitude and -151.25833° West Longitude. (Sec. 05, T005N, R011W, Seward Meridian.) Kenai is located in the Kenai Recording District. The area encompasses 29.9 sq. miles of land and 5.6 sq. miles of water. Winter temperatures range from 4 to 22; summer temperatures vary from 46 to 65. Average annual precipitation is 20 inches.

### History, Culture and Demographics

Prior to Russian settlement, Kenai was a Dena'ina Athabascan Indian village. Russian fur traders first arrived in 1741. At that time, about 1,000 Dena'ina lived in the village of Shk'ituk't, near the River. The traders called the people "Kenaitze," or "Kenai people." In 1791, a fortified Russian

trading post, Fort St. Nicholas, was constructed for fur and fish trading. It was the second permanent Russian settlement in Alaska. In 1849, the Holy Assumption Russian Orthodox Church was established by Egumen Nicholai. In 1869 the U.S. military established a post for the Dena'ina Indians in the area, called Fort Kenay, which was abandoned in 1870 after Alaska was purchased by the U.S. A post office was established in 1899. Through the 1920s, commercial fishing was the primary activity. In 1940, homesteading enabled the area to develop. The first dirt road from Anchorage was constructed in 1951. In 1957, oil was discovered at Swanson River, 20 miles northeast of Kenai - the first major Alaska oil strike. The City was incorporated in 1960. In 1965, offshore oil discoveries in Cook Inlet fueled a period of rapid growth. Kenai has been a growing center for oil exploration, production and services since that time.

A federally recognized tribe is located in the community -- the Kenaitze Indian Tribe. 12.1% of the population are Alaska Native or part Native. The Kenai River is a major sport fishing location for Anchorage residents and tourists. The river is world renown for trophy king and silver salmon. The Kenaitze (Tanaina Athabascans) live borough-wide and utilize the rich resources of Cook Inlet.

During the 2000 U.S. Census, there were 3,003 total housing units, and 381 were vacant. 58 of these vacant housing units are used only seasonally. 2,869 residents were employed. The unemployment rate at that time was 12.44%, although 42.16% of all adults were not in the work force. The median household income was \$45,962, per capita income was \$20,789, and 9.83% of residents were living below the poverty level.

### **Facilities, Utilities, Schools and Health Care**

Water is supplied by three deep wells and is piped to 75% of households. A fourth well is planned. Sewage is piped and receives secondary treatment. The remaining 25% of households use individual water wells and septic systems. Natural gas from Enstar is primarily used for home heating purposes. Homer Electric Assoc. operates the Bradley Lake Hydroelectric Project and is part owner of the Alaska Electric Generation & Transmission Cooperative. It also purchases electricity from Chugach Electric. A Borough-owned refuse transfer station is located on Redoubt Ave. The Borough landfill is located in nearby Soldotna, at mile 110.4 Sterling Hwy. Homer Electric Association provides electricity.

There are 4 schools located in the community, attended by 1,559 students. Local hospitals or health clinics include Kenai Health Center (283-4871); Dena'ina Health Clinic. The Kenai Health Center is a qualified Emergency Care Center. Specialized Care: Central Peninsula Counseling Services; Central Peninsula Mental Health Assoc. / Sprucewood Lodge; Forget-Me-Not Care Center; Community Outreach Program Auxiliary health care is provided by Kenai Fire Dept./EMS (283-7666); Central Emergency Services (262-4792/4453) and Central Peninsula General Hospital (262-4404) in Soldotna and various private practitioners.

### **Economy and Transportation**

The City is the center of the oil and gas industry, providing services and supplies for Cook Inlet's oil and natural gas drilling and exploration. Tesoro Alaska's oil refining operations and Unocal's urea plant are located in North Kenai. Both in-state and out-of-state visitors provide a significant industry on the peninsula. Other important economic sectors include sport, subsistence and commercial fishing, fish processing, timber and lumber, agriculture, transportation services, construction and retail trade. 234 area residents hold commercial fishing permits. The largest

employers are the Kenai Peninsula Borough School District, Unocal, Peak Oilfield Services, the Kenai Peninsula Borough, and Central Peninsula General Hospital. The Challenger Learning Center of Alaska was completed in Spring 2000. Logging of spruce bark beetle-killed timber also occurs in the area.

Kenai is accessible by the Sterling Highway to Anchorage, Fairbanks, Canada and the lower 48 states. The City-owned Kenai Municipal Airport provides a 7,575' asphalt runway, a 2,000' gravel strip, a float plane strip, and helicopter service. A Flight Service Station is available. Float plane facilities are also available at Island Lake and Arness Lake. There are five additional privately owned airstrips in the vicinity. The Kenai City Dock and boat ramp are located near the mouth of the Kenai River. There are also a number of private commercial fish processing docks. Moorage is by buoys anchored in the Kenai River.

### **Kenai Community Funding Priorities**

|  |              |
|--|--------------|
| Kenai Coastal Trail – Construction       | \$10,000,000 |
| Roads                                    | \$ 3,000,000 |
| State of Alaska Dip Net Fishery Projects | \$ 650,000   |
| Public Safety Building Improvements      | \$ 35,000    |
| Park Improvements                        | \$ 397,800   |
| Fire Protection, VIP Subdivision         | \$ 20,000    |
| Water Supply Expansion Study             | \$ 20,000    |
| Public Facilities Wiring Upgrades        | \$ 50,000    |
| Environmental Clean-Up                   | \$ 300,000   |

### **Soldotna**

|                             |   |
|-----------------------------|---|
| Population                  | 3,944 (certified December 2001, by DCED)        |
| Type of incorporation       | 1 <sup>st</sup> Class City                      |
| Form of Government          | Council - Manager                               |
| City Mayor                  | David R. Carey                                  |
| Regional Native Corporation | <a href="#">Cook Inlet Regional, Inc., CIRI</a> |
| Regional Native Nonprofit   | <a href="#">Cook Inlet Tribal Council, Inc.</a> |
| Village Council             | N/A   |
| Village Corporation         | N/A   |
| Land Area                   | 6.9 miles land, 0.5 sq. miles water             |
| Mill Rate                   | 1.65 (City); 6.5 (Borough), 3.2 (Other)         |
| Sales Tax Rate              | 3.5 % (City), 2% (Borough)                      |

### **Location and Climate**

Soldotna is on the Kenai Peninsula, 150 highway miles south of Anchorage, at the junction of the Sterling and Kenai Spur Highways. It lies 10 miles inland from Cook Inlet, and borders the Kenai River. It lies at approximately 60.487780° North Latitude and -151.05833° West Longitude. (Sec. 32, T005N, R010W, Seward Meridian.) Soldotna is located in the Kenai Recording District. The area encompasses 6.9 sq. miles of land and 0.5 sq. miles of water.

Winter temperatures range from 6 to 24; summers range from 45 to 66. Average annual precipitation is 17.4 inches.

### **History, Culture and Demographics**

The Peninsula has historically been the home to Kenaitze Indians, and was developed by non-Natives for its rich resources, including fish, timber and oil. Soldotna was named for a nearby stream; it is a Russian word meaning "soldier." Others believe it is derived from an Indian word meaning "stream fork." The first homesteaders were World War II veterans, given a 90-day preference over non-veterans in selecting and filing for property in 1947. That same year, the Sterling Highway right-of-way was constructed from Cooper Landing to Kenai. Soldotna was the site for the bridge crossing the Kenai River. A post office opened in 1949, with stores and a community center shortly thereafter. Soldotna continued to develop because of its strategic location at the Sterling-Kenai Spur Highway junction. In 1957, oil was discovered in the Swanson River region, bringing new growth and development. Soldotna was incorporated as a city in 1960.

6.9% of the population are Alaska Native or part Native. The Kenai River offers top trophy king salmon fishing during June and July. A 97 lb. 4 oz. world record king salmon was taken from these waters in 1985, and catching kings of over 60 pounds is not uncommon here. The Central Peninsula Sports Center provides an ice rink, racquetball courts, weight room and meeting facilities.

During the 2000 U.S. Census, there were 1,670 total housing units, and 205 were vacant. 59 of these vacant housing units are used only seasonally. 1,687 residents were employed. The unemployment rate at that time was 8.91%, although 36.89% of all adults were not in the work force. The median household income was \$48,420, per capita income was \$21,740, and 6.59% of residents were living below the poverty level.

### **Facilities, Utilities, Schools and Health Care**

All homes are completely plumbed. Water is derived from four wells, is treated, stored, and piped throughout the community. A new million-gallon steel tank and a second 500,000-gal. tank, built in the 1970s, now provide sufficient capacity. Piped sewage receives secondary treatment with an activated sludge process; effluent discharges into the Kenai River. Individual wells and septic tanks are used by a few households outside of the core area. Refuse is collected by a private company, and disposed of in the Borough's class 1 regional landfill and baling facility at mile 98.5 Sterling Hwy. in Soldotna. Recycling and hazardous waste disposal are available. Natural gas from Enstar is primarily used by residents for home heating. Homer Electric Assoc. operates the Bradley Lake Hydroelectric Project and is part owner of the Alaska Electric Generation & Transmission Cooperative, which operates a gas turbine plant in Soldotna. It also purchases electricity from Chugach Electric. Homer Electric Association provides electricity. There are 8 schools located in the community, attended by 3,030 students.

Local hospitals or health clinics include Central Peninsula General Hospital (262-4404); Kenai Public Health Dept. (335-3400). The hospital is a qualified Acute Care facility and provides Critical Care Air Ambulance Service. Long Term Care: Heritage Place. Specialized Care: Frontier Training Center (health care, counseling, lodging); Family Recovery Center Auxiliary health care is provided by Central Emergency Services (262-4792/4453).

### **Economy and Transportation**



The area economy is highly diverse. Kenai and Soldotna residents are employed in oil industry services for Cook Inlet oil and natural gas drilling and exploration. Oil refining operations occur north of Kenai in Nikiski. Other important economic sectors include sport, subsistence and commercial fishing, fish processing, government, timber and lumber, agriculture, transportation, construction, services and retail trade. 173 area residents hold commercial fishing permits. It is the site of the Central Peninsula General Hospital, the Kenai Peninsula Community College, the State Troopers' Headquarters, The Kenai National Wildlife Refuge, and the Borough and school District offices.

The Soldotna Municipal Airport provides facilities for charter services and local air traffic. The paved runway is 5,000' in length. The Kenai Municipal Airport, located 10 miles away, offers scheduled flights and floatplane facilities. Seaplanes may also land at nearby Mackeys Lakes. There are four additional private landing strips in Soldotna, and a heliport for medical emergencies at Central Peninsula General Hospital. The Sterling Highway provides access to Anchorage, the George Parks and Alcan highways.

### Community Funding Priorities

|   |                  |
|---|------------------|
| Water System Improvements               | \$ not available |
| Funny River Road Phase II               | \$ not available |
| K-Beach Road Phase II                   | \$ not available |
| Riverside Drive Sewer Main Improvements | \$ not available |
| Joint Feasibility Study                 | \$ not available |
| Fire Protection, VIP Subdivision        | \$ not available |

| Nikiski                     |   |
|-----------------------------|---|
| Population                  | 4,409 (2002 est. by State Demographer, DOL/WD)  |
| Type of incorporation       | Unincorporated                                  |
| Form of Government          | N/A   |
| City Mayor/Manager          | N/A   |
| Regional Native Corporation | <a href="#">Cook Inlet Regional, Inc., CIRI</a> |
| Regional Native Nonprofit   | <a href="#">Cook Inlet Tribal Council, Inc.</a> |
| Village Council             | N/A   |
| Village Corporation         | N/A   |
| Land Area                   | 69.6 sq. miles of land, 6.6 sq. miles of water  |
| Mill Rate                   | 6.5 (Borough), 5.4 or 5.7 (Other)               |
| Sales Tax Rate              | 2% (Borough)                                    |

### Location and Climate

Nikiski is located on the Kenai Peninsula, 9 miles north of the City of Kenai, off of the Sterling Highway. It is also known as Port Nikiski and Nikishka. It lies at approximately 60.716050° North Latitude and -151.34066° West Longitude. (Sec. 02, T006N, R012W, Seward Meridian.) Nikiski is located in the Kenai Recording District. The area encompasses 69.6 sq. miles of land and 6.6 sq. miles of water. Winter temperatures range from 14 to 27; summer temperatures vary from 45 to 65. Average annual precipitation is 24 inches.

## History, Culture, Demographics

Traditionally in Kenaitze Indian Territory, the area was homesteaded in the 1940s, and grew with the discovery of oil on the Kenai Peninsula in 1957. By 1964, oil-related industries located here included Unocal, Phillips 66, Chevron and Tesoro. 10.1% of the population are Alaska Native or part Native. During the 2000 U.S. Census, there were 1,766 total housing units, and 252 were vacant. 93 of these vacant housing units are used only seasonally. 1,652 residents were employed. The unemployment rate at that time was 15.67%, although 48% of all adults were not in the work force. The median household income was \$51,176, per capita income was \$20,129, and 11.36% of residents were living below the poverty level.

## Facilities

The majority of homes use individual water wells and septic tank systems. The remainder of residences haul or have water delivered and use privies. Almost all homes are fully plumbed. The schools operate their own well water systems. A Borough refuse transfer facility is located on Poolside Ave. Homer Electric Association provides electricity. There are 3 schools located in the community, attended by 967 students. Auxiliary health care is provided by Nikiski Fire Dept./EMS (776-8400/5150) and Central Peninsula General Hospital in Soldotna.

## Economy and Transportation

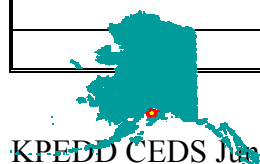
Nikiski is the site of a Tesoro Alaska oil refinery, where Cook Inlet and some North Slope crude oil is processed into jet fuel, gasoline and diesel. BP has constructed a natural gas to liquid fuel pilot plant in Nikiski. Agrium, Inc. employs 500 residents at its fertilizer plant, producing 1 million tons of urea and 600,000 tons of ammonia annually. Timber, commercial and sport fishing, government, retail businesses and tourism-related services also provide employment. 56 residents hold commercial fishing permits. Alaska Petroleum Contractors and Natchiq Inc. are building portable modules in Nikiski to be shipped to the Alpine oil field in North Slope.

The Sterling Highway provides access to Anchorage. Nearby Kenai offers an airport and docking facilities. The Port Nikiski docks service offshore drilling platforms. There are two private airstrips in the vicinity, one owned by Shell Oil Company.

## Community Funding Priorities

|                            |                    |               |
|----------------------------|--------------------|---------------|
| Independent Senior Housing | Total Project Cost | \$3.3 million |
| Nikiski Community Center   | Total Project Cost | \$400,000     |

| Sterling                    |   |
|-----------------------------|---|
| Population                  | 4,905 (2000 U.S. Census)                        |
| Type of incorporation       | Unincorporated                                  |
| Form of Government          | N/A   |
| City Mayor/Manager          | N/A   |
| Regional Native Corporation | <a href="#">Cook Inlet Regional, Inc., CIRI</a> |
| Regional Native Nonprofit   | <a href="#">Cook Inlet Tribal Council, Inc.</a> |
| Village Council             | N/A   |
| Village Corporation         | N/A   |



|                |  |
|----------------|--|
| Land Area      | 77.3 sq. miles land, 2.1 sq. miles water |
| Mill Rate      | 6.5 (Borough)                            |
| Sales Tax Rate | 2% (Borough)                             |

### **Location and Climate**

Sterling is located on the Sterling Highway at the junction of the Moose and Kenai Rivers, 18 miles east of the City of Kenai. It lies at approximately 60.537220° North Latitude and - 150.76472° West Longitude. (Sec. 1, T005N, R009W, Seward Meridian.) Sterling is located in the Kenai Recording District. The area encompasses 77.3 sq. miles of land and 2.1 sq. miles of water. Winter temperatures range from 4 to 22; summer temperatures vary from 46 to 65. Average annual precipitation is 20 inches.

### **History, Culture and Demographics**

The Kenai Peninsula has been the home of the Kenaitze Indians for hundreds of years. Sterling is a community that apparently had its name formalized in 1954 when a post office was established. An archaeological site, containing prehistoric house pits, has been discovered at the Isaac Walton Campground. The State Department of Natural Resources plans to excavate the site around 2002. 4.6% of the population are Alaska Native or part Native. During the 2000 U.S. Census, there were 2,554 total housing units, and 878 were vacant. 706 of these vacant housing units are used only seasonally. 1,926 residents were employed. The unemployment rate at that time was 9.7%, although 43.98% of all adults were not in the work force. The median household income was \$47,700, per capita income was \$20,741, and 9.98% of residents were living below the poverty level.

### **Facilities, Utilities, Schools and Health Care**

Occupied houses use individual water wells and septic tank systems, and are fully plumbed. The school operates its own well water system. Many homes in this area are used only seasonally. The Borough provides a refuse transfer facility at mile 85 Sterling Hwy. Homer Electric Association provides electricity. There is one school located in the community, attended by 225 students. The Central Emergency Services (262-4792/262-4453) and the Central Peninsula General Hospital in Soldotna provide auxiliary health care.

### **Economy and Transportation**

The economy of the Kenai area is diverse: oil and gas processing, timber, fishing, government, retail and tourism-related services provide employment. 16 residents hold commercial fishing permits. The Sterling Highway provides access to Anchorage. There are four private airstrips in the Sterling area, and a private seaplane base at Scout Lake. There are two privately operated boat launches. Nearby Kenai and Soldotna offer airports and docking facilities.

### **Community Funding Priorities**

|   |                    |               |
|---|--------------------|---------------|
| Multi-Use Facility Phase II                   | Total Project Cost | \$210,000     |
| Senior Housing & Senior Center Rehabilitation | Total Project Cost | not available |

**Kasilof**

|                             |   |
|-----------------------------|---|
| Population                  | 508 (2000 U.S. Census)                          |
| Type of incorporation       | Unincorporated                                  |
| Form of Government          | N/A   |
| City Mayor/Manager          | N/A   |
| Regional Native Corporation | <a href="#">Cook Inlet Regional, Inc., CIRI</a> |
| Regional Native Nonprofit   | <a href="#">Cook Inlet Tribal Council, Inc.</a> |
| Village Council             | N/A   |
| Village Corporation         | N/A   |
| Land Area                   | 10.4 sq. miles land, 0.2 sq. miles water        |
| Mill Rate                   | 6.5 (Borough)                                   |
| Sales Tax Rate              | 2% (Borough)                                    |

### **Location and Climate**

Kasilof is located on the east shore of Cook Inlet on the Kenai Peninsula. It lies on the Sterling Highway, 12 miles south of the City of Kenai. It lies at approximately 60.336920° North Latitude and -151.27665° West Longitude. (Sec. 24, T003N, R012W, Seward Meridian.) Kasilof is located in the Kenai Recording District. The area encompasses 10.4 sq. miles of land and 0.2 sq. miles of water. Winter temperatures range from 14 to 27; summer temperatures vary from 45 to 65. Average annual precipitation is 24 inches.

### **History, Culture and Demographics**

Kasilof was an agricultural settlement of Kenaitze Indians, which grew around a stockade built by the Russian Kolomin of the Lebedef-Lastochkin Company. A partial excavation of the area in 1937 found 31 well-preserved houses. 6.2% of the population are Alaska Native or part Native. Kasilof is a geographic location on the Kenai Peninsula, rather than a community. Most residents are non-Native.

During the 2000 U.S. Census, there were 208 total housing units, and 28 were vacant. 20 of these vacant housing units are used only seasonally. 181 residents were employed. The unemployment rate at that time was 0%, although 48.14% of all adults were not in the work force. The median household income was \$43,929, per capita income was \$21,211, and 26.42% of residents were living below the poverty level.

### **Facilities, Utilities, Schools and Health Care**

The majority of homes use individual water wells and septic tanks and are fully plumbed. The school operated its own well water and treatment system. A refuse transfer site is available at mile 110.4 Sterling Hwy. in Kasilof. Homer Electric Association provides electricity. There is one school located in the community, attended by 229 students. The Central Emergency Services (262-4792/4453) and Central Peninsula General Hospital in Soldotna provide auxiliary health care.

### **Economy and Transportation**

The economy of the Kenai area is diverse: oil and gas processing, timber, commercial and sport fishing, government, retail businesses and tourism-related services provide employment. 155 Kasilof residents hold commercial fishing permits. The Sterling Highway provides a route to

Anchorage. The State owns and operates the 2,165' gravel airstrip, and there are three additional private airstrips in the vicinity. Kenai offers an airport and docking facilities. There is a boat launch at the Kasilof River.

### Community Funding Priorities

|                        |                    |               |
|------------------------|--------------------|---------------|
| Cemetery Expansion     | Total Project Cost | not available |
| McLane Center Building | Total Project Cost | \$31,500      |

## Funny River

|                             |   |
|-----------------------------|---|
| Population                  | 698 (2000 U.S. Census)                          |
| Type of incorporation       | Unincorporated                                  |
| Form of Government          | N/A   |
| City Mayor/Manager          | N/A   |
| Regional Native Corporation | <a href="#">Cook Inlet Regional, Inc., CIRI</a> |
| Regional Native Nonprofit   | <a href="#">Cook Inlet Tribal Council, Inc.</a> |
| Village Council             | N/A   |
| Village Corporation         | N/A   |
| Land Area                   | 27.2 sq. miles land, 2.1 sq. miles water        |
| Mill Rate                   | 6.5 (Borough)                                   |
| Sales Tax Rate              | 2% (Borough)                                    |

### Location and Climate

Funny River is located on the Kenai Peninsula, approximately 15 miles east of Soldotna along the Kenai River, from River Mile 29 to 45. It lies at approximately 60.482680° North Latitude and -150.84631° West Longitude. (Sec. 7, T004N, R009W, Seward Meridian.) Funny River is located in the Kenai Recording District. The area encompasses 27.2 sq. miles of land and 2.1 sq. miles of water. Average winter temperatures range from 4 to 22; summer temperatures average from 46 to 65. Average annual precipitation is 20 inches.

### History, Culture and Demographics

Funny River is the local name of a nearby stream, first published in 1904 by the U.S. Geological Survey. Homesteading and farming expanded to the Funny River area during the late 1950s and early 1960s. Funny River Road originated as a bulldozed trail from Soldotna to the homesteads, and was upgraded to a gravel-surfaced road in the mid-1960s.

3.5% of the population are Alaska Native or part Native. There is no school in Funny River; 61 students are bused to Soldotna area schools. The community is primarily non-Native, however, a large portion of the land in this area is owned by Alaska Native corporations. The Central Peninsula Sports Center in Soldotna offers an ice rink, racquetball courts, weight room and meeting facilities.

During the 2000 U.S. Census, there were 621 total housing units, and 343 were vacant. 307 of these vacant housing units are used only seasonally. 257 residents were employed. The unemployment rate at that time was 23.05%, although 54.75% of all adults were not in the work



force. The median household income was \$43,047, per capita income was \$22,648, and 3.5% of residents were living below the poverty level.

### **Facilities, Utilities, Schools and Health Care**

Most homes in this area have complete plumbing. Occupied houses use individual water wells and septic tank systems or privies. The Borough provides a refuse transfer site at mile 9 Funny River Road. Homer Electric Association provides electricity. There are no state operated schools located in the community. The Central Emergency Services (262-4792/4453) and Central General Hospital in Soldotna provide auxiliary health care.

### **Economy and Transportation**

Nearby Kenai and Soldotna offer a variety of employment opportunities. Sport fishing is the major attraction in this area of the Peninsula. The Kenai River offers top trophy king salmon fishing during June and July. A 97 lb. 4 oz. world record king salmon was taken from the Kenai River in 1985, and catching kings of over 60 pounds is not uncommon here. The Soldotna and Kenai airports serve local air traffic. The Sterling Highway provides access to Anchorage and other destinations.

### **Community Funding Priorities**

|   |                    |           |
|---|--------------------|-----------|
| Paving at Fire and Disaster Relief Facility | Total Project Cost | \$170,000 |
| Multi-Use Facility                          | Total Project Cost | \$235,000 |

## The Eastern Peninsula

The Eastern Peninsula consists of the city of Seward and surrounding communities. An important industrial and transportation center, Seward is a gateway to the majestic Kenai Fjords National Park and Chugach National Forest. Excellent port and harbor facilities, a rail link to interior Alaska, and road access to Anchorage all provide Seward with infrastructure advantages and have contributed to the diversity of Seward's economy. Seward is currently undergoing a small boat harbor expansion and upgrading the railway facilities. The 127-mile Seward Highway was designated a [National Scenic Byway](#) in 1999. For more, see the section below.

| Seward                      |  |
|-----------------------------|--|
| Population                  | 2,794 (certified December 2001, by DCED)                   |
| Type of incorporation       | Home Rule City   |
| Form of Government          | Council - Manager  |
| City Mayor                  | David Brossow  |
| City Manager                | Philip Shealy  |
| Regional Native Corporation | <a href="#">Chugach Alaska Corporation</a>                 |
| Regional Native Nonprofit   | <a href="#">Cook Inlet Tribal Council, Inc.</a>            |
| Village Council             | Qutekcak Native Tribe                                      |
| Village Corporation         | N/A  |
| Land Area                   | 14.4 sq. miles land, 7.1 sq. miles water                   |
| Mill Rate                   | 3.12 (City), 6.5 (Borough), 0.1 (Other)                    |
| Sales Tax Rate              | 4.0 % (City), 2% (Borough); Special: 4% Accommodations Tax |



### Location and Climate

[Seward](#) is situated on Resurrection Bay on the east coast of the Kenai Peninsula, 125 highway miles south of Anchorage. It lies at the foot of Mount Marathon, and is the gateway to the Kenai Fjords National Park. Bear Creek and Lowell Point are adjacent to Seward. It lies at approximately 60.104170° North Latitude and -149.44222° West Longitude. (Sec. 10, T001S, R001W, Seward Meridian.) Seward is located in the Seward Recording District. The area encompasses 14.4 sq. miles of land and 7.1 sq. miles of water. Seward experiences a maritime climate. Winter temperatures average from 17 to 38; summer temperatures average 49 to 63. Annual precipitation includes 66 inches of rain and 80 inches of snowfall.

### History, Culture and Demographics

Resurrection Bay was named in 1792 by Russian fur trader and explorer Alexander Baranof. While sailing from Kodiak to Yakutat, he found unexpected shelter in this bay for a storm. He named the Bay Resurrection because it was the Russian Sunday of the Resurrection. Seward was named for U.S. Secretary of State William Seward, 1861-69, who negotiated the purchase of Alaska from Russia during the Lincoln administration. In the 1890s, Capt. Frank Lowell arrived with his family. In 1903, John and Frank Ballaine and a group of settlers arrived to begin construction of a railroad. Seward became an incorporated City in 1912. The Alaska Railroad was constructed between 1915 and 1923, and Seward developed as the ocean terminus and supply center. By 1960, Seward was the largest community on the Peninsula. Tsunamis

generated after the 1964 earthquake destroyed the railroad terminal and killed several residents. As an ice-free harbor, Seward has become an important supply center for Interior Alaska. 2003 is the 100th anniversary of the founding of Seward.

20.9% of the population are Alaska Native or part Native. Seward is primarily a non-Native community, although the Qutekcak Tribe is very active within the community. Seward's annual Fourth of July celebration and its grueling Mount Marathon race attracts participants and visitors worldwide. Other annual events include the Seward Silver Salmon Derby in August and the Polar Bear Jump-Off Festival in January.

During the 2000 U.S. Census, there were 1,058 total housing units, and 141 were vacant. 63 of these vacant housing units are used only seasonally. 1,011 residents were employed. The unemployment rate at that time was 17.18%, although 55.48% of all adults were not in the work force. The median household income was \$44,306, per capita income was \$20,360, and 10.6% of residents were living below the poverty level.

### **Facilities, Utilities, Schools and Health Care**

Water is supplied by nine wells, is treated and distributed throughout Seward. Sewage is collected via pipes to a secondary treatment lagoon. Almost all homes are fully plumbed. Refuse collection is provided by the City under contract; the Borough provides solid waste disposal. A Borough refuse transfer facility is located on Hemlock St. Seward Electric System purchases power from Chugach Electric, and owns six standby diesel generators. Seward Electric System provides electricity. There are 3 schools located in the community, attended by 795 students.

Local hospitals or health clinics include Providence Seward Medical Center; North Star Health Clinic. The hospital is a qualified Acute Care facility. Long Term Care: Wesley Rehabilitation and Care. Specialized Care: Seward Life Action Council Counseling Facility Auxiliary health care is provided by Seward Volunteer Ambulance Corps (224-3987); Bear Creek Volunteer Fire & EMS, Inc. (224-3345/3338).

### **Economy and Transportation**

As the southern terminus for the Alaska Railroad and road link to Anchorage and the Interior, Seward has long been a transportation center. The economy has diversified with tourism, commercial fishing and processing, ship services and repairs, oil and gas development, an Alaska Railroad Corp. export facility for Usibelli coal, Alaska Vocational Technical Center (AVTEC), a State Prison, and the University of Alaska's Institute of Marine Sciences. The Alaska SeaLife Center, the Kenai Fjords National Park, and the Mt. Marathon Race and Fourth of July festivities attract visitors. Over 320,000 cruise ship passengers visit Seward annually. 80 residents hold commercial fishing permits.

Seward is connected to the Alaska Highway system by the Seward Highway. Bus and commercial trucking services to and from Anchorage are available daily. Air services and charters are available at the State-owned airport. Two paved runways are utilized, at 4,240 and 2,300 feet. The Port serves cruise ships, the State Ferry, cargo barges and ocean freighters from Seattle and overseas. The small boat harbor has moorage for 650 boats, and two boat launch ramps. The Alaska Railroad provides over 1.4 billion pounds of cargo transit each year, importing cargo for the Interior and exporting coal to the Pacific Rim. A new railroad depot was completed in the fall of 1997. Seasonal passenger transportation is available by rail.

### **Community Funding Priorities**

### State Legislative Capital Project Priorities

|   |                |
|---|----------------|
| 3 <sup>rd</sup> Avenue Water Line Upgrade       | \$2.1 million  |
| Long Term Care Facility, Planning and Design    | \$2 million    |
| Fire Training Facility                          | \$400,000      |
| Inter-Harbor Improvements                       | \$2.6 million  |
| Dock/Breakwater at SMIC                         | \$4.5 million  |
| Mile 0 to 8 of the Seward Highway               | \$19.1 million |
| Rehabilitation of Nash Road                     | \$3.75 million |
| Reconstruction of Lierer Road                   | \$975,000      |
| Recorders Office                                | \$10,000       |
| AVTEC Deferred Maintenance                      | \$1.5 million  |
| Expansion of Spring Creek Correctional Facility | \$25 million   |

## **Moose Pass**

|                             |   |
|-----------------------------|---|
| Population                  | 216 (2000 U.S. Census)                          |
| Type of incorporation       | Unincorporated                                  |
| Form of Government          | N/A   |
| City Mayor/Manager          | N/A   |
| Regional Native Corporation | <a href="#">Cook Inlet Regional, Inc., CIRI</a> |
| Regional Native Nonprofit   | <a href="#">Cook Inlet Tribal Council, Inc.</a> |
| Village Council             | N/A   |
| Village Corporation         | N/A   |
| Land Area                   | 18.0 sq. miles land, 0.1 sq. miles water        |
| Mill Rate                   | 6.5 (Borough)                                   |
| Sales Tax Rate              | 2% (Borough)                                    |

### **Location and Climate**

[Moose Pass](#) is located 26 miles north of Seward on the Kenai Peninsula. It is on the southwest shore of Upper Trail Lake, off the Seward Highway, at mile 29.3 of the Alaska Railroad. It lies at approximately 60.4875° North Latitude and -149.36889° West Longitude. (Sec. 25, T005N, R001W, Seward Meridian.) Moose Pass is located in the Seward Recording District. The area encompasses 18.0 sq. miles of land and 0.1 sq. miles of water. Winter temperatures range from 14 to 27; summer temperatures vary from 45 to 65. Average annual precipitation is 24 inches.

### **History, Culture and Demographics**

The community was first named in 1912 as a station on the Alaska Railroad. The name is reportedly derived from a mail carrier's team of dogs that in 1903 had considerable trouble gaining the right-of-way from a moose. A post office was established in 1928.

10.7% of the population are Alaska Native or part Native. During the 2000 U.S. Census, there were 119 total housing units, and 35 were vacant. 19 of these vacant housing units are used only seasonally. 97 residents were employed. The unemployment rate at that time was 0%, although

31.21% of all adults were not in the work force. The median household income was \$87,291, per capita income was \$28,147, and 0% of residents were living below the poverty level.

### **Facilities, Utilities, Schools and Health Care**

The majority of homes use individual water wells and septic tank systems; over 50% of households are fully plumbed. The school operates its own water system. The remainder of residences haul or have water delivered, and use privies. Many homes in this area are used only seasonally. Borough refuse transfer containers are located at mile 29 Seward Hwy.

Chugach Electric Association provides electricity. There is one school located in the community, attended by 42 students. Moose Pass Volunteer Fire/EMS (288-3666/288-8665), Seward General Hospital, or Central Peninsula General Hospital in Soldotna provides auxiliary health care.

### **Economy and Transportation**

The State Division of Forestry and local businesses provide most employment. The community is not within an easy commute of either Seward or Kenai. Two residents hold commercial fishing permits.

The Seward and Sterling Highways provide access to Anchorage. Nearby Seward offers an airport, railroad, harbor/dock facilities and State Ferry access. A seaplane base is available at Summit Lake.

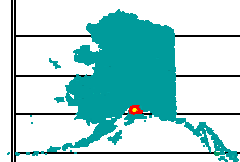
### **Community Funding Priorities**

|                               |                    |           |
|-------------------------------|--------------------|-----------|
| Tanker / Pumper Truck         | Total Project Cost | \$160,000 |
| Community Center Improvements | Total Project Cost | \$80,000  |



|             |
|-------------|
| <b>Hope</b> |
|-------------|

|                             |   |
|-----------------------------|---|
| Population                  | 155 (2000 U.S. Census)                          |
| Type of incorporation       | Unincorporated                                  |
| Form of Government          | N/A   |
| City Mayor/Manager          | N/A   |
| Regional Native Corporation | <a href="#">Cook Inlet Regional, Inc., CIRI</a> |
| Regional Native Nonprofit   | <a href="#">Cook Inlet Tribal Council, Inc.</a> |
| Village Council             | N/A   |
| Village Corporation         | N/A   |
| Land Area                   | 51.7 sq. miles land, 0.1 sq. miles water        |
| Mill Rate                   | 6.5 (Borough)                                   |
| Sales Tax Rate              | 2% (Borough)                                    |



### **Location and Climate**

Hope lies on the northern end of Kenai Peninsula, on the south shore of the Turnagain Arm of Cook Inlet. The community lies on the 17-mile Hope Highway, northwest of the Seward Highway, near the mouth of Resurrection Creek. It lies at approximately 60.920280° North Latitude and -149.64028° West Longitude. (Sec. 33, T010N, R002W, Seward Meridian.) Hope is located in the Seward Recording District. The area encompasses 51.7 sq. miles of land and 0.1 sq. miles of water. Winter temperatures range from 14 to 27; summer temperatures vary from 45 to 65. Average annual precipitation is 20 inches.

### **History, Culture and Demographics**

"Hope City" was a mining camp for Resurrection Creek, established in 1896. The Hope post office began operating in 1897. Portions of the town were destroyed in the 1964 earthquake.

5.8% of the population are Alaska Native or part Native. There are two community associations. During the 2000 U.S. Census, there were 175 total housing units, and 98 were vacant. 84 of these vacant housing units are used only seasonally. 39 residents were employed. The unemployment rate at that time was 13.33%, although 59.79% of all adults were not in the work force. The median household income was \$21,786, per capita income was \$9,079, and 11.67% of residents were living below the poverty level.

### **Facilities, Utilities, Schools and Health Care**

Approximately one-fourth of homes use individual water wells and septic tank systems, and are fully plumbed. The school operates its own well water system. Many homes in this area are used only seasonally. The Borough provides a refuse transfer site in Hope.

Chugach Electric Association provides electricity. There is one school located in the community, attended by 14 students. Auxiliary health care is provided by Hope/Sunrise EMS (782-3174/3630), Central Peninsula General Hospital in Soldotna or Anchorage hospitals.

### **Economy and Transportation**

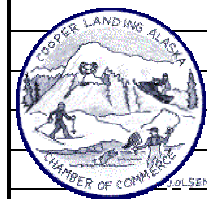
The school and local retail businesses provide the only employment in Hope. Some mining activities continue today. A small sawmill is used by the community. Two residents hold a commercial fishing permit.

Hope is accessible from the Seward highway. A State-owned 2,000' gravel airstrip is available. Both nearby Anchorage and Kenai offer a variety of transportation services.

### Community Funding Priorities

Not available

| Cooper Landing              |   |
|-----------------------------|---|
| Population                  | 375 (2000 U.S. Census)                          |
| Type of incorporation       | Unincorporated                                  |
| Form of Government          | N/A   |
| City Mayor/Manager          | N/A   |
| Regional Native Corporation | <a href="#">Cook Inlet Regional, Inc., CIRI</a> |
| Regional Native Nonprofit   | <a href="#">Cook Inlet Tribal Council, Inc.</a> |
| Village Council             | N/A   |
| Village Corporation         | N/A   |
| Land Area                   | 66.0 sq. miles land, 3.9 sq. miles water        |
| Mill Rate                   | 6.5 (Borough)                                   |
| Sales Tax Rate              | 2% (Borough)                                    |



### Location and Climate

[Cooper Landing](#) is at the west end of Kenai Lake on a stretch of the Sterling Highway, 30 miles northwest of Seward in the Chugach Mountains. It lies at approximately 60.49° North Latitude and -149.83417° West Longitude. (Sec. 29, T005N, R003W, Seward Meridian.) Cooper Landing is located in the Seward Recording District. The area encompasses 66.0 sq. miles of land and 3.9 sq. miles of water. January temperatures range from 4 to 22; July temperatures vary from 46 to 65. Average annual precipitation is 20 inches.

### History, Culture and Demographics

Between 1848 and 1851, Russian engineer P. Doroshin found gold in the area. Cooper Landing was named for Joseph Cooper, a miner who discovered gold here in 1884. Cooper Creek was first recorded in 1898 by the U.S. Geological Survey. In 1900, the Census found 21 miners and 1 wife living at Cooper Creek. The Riddiford Post Office began operations in 1924, and the Riddiford School opened in 1928. In 1938, a road was constructed to Seward. In 1948, a road to Kenai was opened, and by 1951, residents could drive to Anchorage. The Cooper Landing Community Club was first formed in 1949. The Cooper Lake Hydroelectric Facility was constructed in 1959-60.

4.9% of the population are Alaska Native or part Native. The Cooper Landing Community Club is involved extensively in local development issues and is an advocate for residents' concerns. The population of the area nearly doubles each summer to support tourism businesses and activities.

During the 2000 U.S. Census, there were 379 total housing units, and 217 were vacant. 184 of these vacant housing units are used only seasonally. 159 residents were employed. The unemployment rate at that time was 0%, although 43.62% of all adults were not in the work force. The median household income was \$34,844, per capita income was \$24,795, and 2.17% of residents were living below the poverty level.

### **Facilities, Utilities, Schools and Health Care**

Two-thirds of homes use individual water wells and septic tank systems and are completely plumbed. The school has its own well water system. The remainder haul or have water delivered, and use privies. The Borough provides a refuse transfer site at mile 44 Sterling Hwy.

Chugach Electric Association provides electricity. There is one school located in the community, attended by 21 students. Auxiliary health care is provided by Cooper Landing Volunteer Ambulance/Rescue (595-1633/595-1800); Central Peninsula General Hospital in Soldotna or Seward General Hospital.

### **Economy and Transportation**

Tourism and services provide the majority of employment. The 70-room Kenai Princess Lodge accommodates Princess cruise ship passengers and other visitors. Four residents hold commercial fishing permits.

The Sterling Highway provides access to Anchorage and beyond. Kenai offers air transportation and docking facilities. A privately owned boat launch is available. The State-owned Quartz Creek Airport provides a 2,200' gravel runway, and floatplanes may land at Cooper Lake.

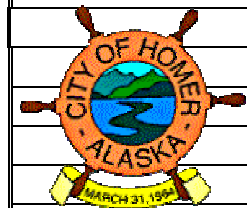
### **Community Funding Priorities**

|   |                    |           |
|---|--------------------|-----------|
| Road & Utilities to Senior Housing Site | Total Project Cost | \$782,000 |
|---|--------------------|-----------|

## The Southern Peninsula

The Southern Peninsula communities enjoy a broad spectrum of diversity. Small communities such as Anchor Point, Kachemak City and the traditional Russian “Old Believer” villages of Nikolaevsk, Kachemak-Selo, Razdolna and Voznesenka surround the city of Homer and Kachemak Bay. Across Kachemak Bay with no road access are the communities of the city of Seldovia, the village of Seldovia, and the more traditional Native villages of Port Graham and Nanwalek.

| Homer                       |   |
|-----------------------------|---|
| Population                  | 4,721 (certified December 2001, by DCED)        |
| Type of incorporation       | 1 <sup>st</sup> Class City                      |
| Form of Government          | Council - Manager                               |
| City Mayor                  | Jack Cushing                                    |
| City Manager                | Walt Wrede                                      |
| Regional Native Corporation | <a href="#">Cook Inlet Region, Inc. - CIRI</a>  |
| Regional Native Nonprofit   | <a href="#">Cook Inlet Tribal Council, Inc.</a> |
| Village Council             | N/A   |
| Village Corporation         | N/A   |
| Land Area                   | 10.6 sq. miles land, 11.9 sq. miles water       |
| Mill Rate                   | 5.0 (City), 6.5 (Borough), 1.85 (Other)         |
| Sales Tax Rate              | 3.5 % (City) 2% (Borough)                       |



### Location and Climate

[Homer](#) is located on the north shore of Kachemak Bay on the southwestern edge of the Kenai Peninsula. The Homer Spit, a 4.5-mile long bar of gravel, extends from the Homer shoreline. It is 227 road miles south of Anchorage, at the southern-most point of the Sterling Highway. It lies at approximately 59.6425° North Latitude and -151.54833° West Longitude. (Sec. 19, T006S, R013W, Seward Meridian.) Homer is located in the Homer Recording District. The area encompasses 10.6 sq. miles of land and 11.9 sq. miles of water. Homer lies in the maritime climate zone. During the winter, temperatures range from 14 to 27; summer temperatures vary from 45 to 65. Average annual precipitation is 24 inches, including 55 inches of snow.

### History, Culture and Demographics

The Homer area has been home to Kenaitze Indians for thousands of years. In 1895 the U.S. Geological Survey arrived to study coal and gold resources. Prospectors bound for Hope and Sunrise disembarked at the Homer Spit. The community was named for Homer Pennock, a gold mining company promoter, who arrived in 1896 and built living quarters for his crew of 50 on the Spit. Their plans were to mine the beach sands along Cook Inlet, from Homer to Ninilchik. The Homer post office opened shortly thereafter. In 1899, Cook Inlet Coal Fields Company built a town and dock on the Spit, a coal mine at Homer's Bluff Point, and a 7-mile-long railroad which carried the coal to the end of Homer Spit. Various coal mining operations continued until World War I, and settlers continued to trickle into the area, some to homestead in the 1930s and 40s, others to work in the canneries built to process Cook Inlet fish. Coal provided fuel for homes, and there is still an estimated 400 million tons of coal deposits in the vicinity of Homer.

The City government was incorporated in March 1964. After the Good Friday earthquake in 1964, the Homer Spit sunk approximately 4 to 6 feet, and several buildings had to be relocated.

6.2% of the population are Alaska Native or part Native. While commercial and sport fishing are the center of the economic activity, Homer has a large community of artists. The Homer Jackpot Halibut Derby runs from May 1 through Labor Day each year. Homer is the "Halibut Capital of the World."

During the 2000 U.S. Census, there were 1,873 total housing units, and 274 were vacant. 129 of these vacant housing units are used only seasonally. 1,849 residents were employed. The unemployment rate at that time was 8.95%, although 38.49% of all adults were not in the work force. The median household income was \$42,821, per capita income was \$21,823, and 9.3% of residents were living below the poverty level.

### **Facilities, Utilities, Schools and Health Care**

Over 90% of homes are fully plumbed. Water is supplied by a dam and 35-acre reservoir at Bridge Creek, is treated, stored in a 500,000-gallon tank, and piped to the majority of homes in the City. The system provides 2 million gallons per day. The City has asked for state funding to develop a 1-million-gallon water tank. Others residents use individual wells or have water delivered to home tanks. City sewage is piped to a deep shaft sewer treatment plant; capacity is 880,000 gallons per day. Refuse is collected by Peninsula Sanitation, a private firm, and hauled to the Borough's class 2 landfill and balefill in Homer, at mile 169.3 Sterling Hwy. Homer Electric Assoc. operates the Bradley Lake Hydroelectric Plant and is part owner of the Alaska Electric Generation & Transmission Cooperative, which operates a gas turbine plant in Soldotna. It also purchases electricity from Chugach Electric.

Homer Electric Association provides electricity. There are 8 schools located in the community, attended by 1,452 students.

Local hospitals or health clinics include South Peninsula Hospital (235-8101). The hospital is a qualified Acute Care and Long Term Care facility. Specialized Care: Community Mental Health Center (outpatient care); Community Support Program (lodging and health care); Promoting Responsibility & Individual Development (lodging and health care) Auxiliary health care is provided by Homer Volunteer Fire Dept./EMS (235-3155/3150).

### **Economy and Transportation**

Homer is primarily a fishing, fish processing, trade and service center, and enjoys a considerable seasonal visitor industry. Approximately 10 cruise ships dock each summer. During summer months, the population swells with students and others seeking cannery or fishery employment. Sport fishing for halibut and salmon contribute significantly to the economy. 541 area residents hold commercial fishing permits. The fish dock is equipped with cold storage facilities, ice manufacturing and a vacuum fish-loading system. Gates Construction processes wood chips from spruce bark beetle-killed timber at its Homer Spit facility and exports the chips to Pacific Rim pulp and paper companies. Plans for a multi-million dollar U.S. Fish & Wildlife Visitors Center for the Alaska Maritime National Wildlife Refuge are underway.

Homer is accessible by the Sterling Highway to Anchorage, Fairbanks, Canada and the lower 48 states. It is often referred to as "The End of the Road," because it lies at the terminus of the Sterling Highway. The State owns and operates the Homer Airport, with a 6,700' asphalt runway and float plane basin, and a seaplane base at Beluga Lake. The City is served by several

scheduled and chartered aircraft services. There are four additional private landing strips in the vicinity. The Alaska Marine Highway and local ferry services provide water transportation. The deep-water dock can accommodate 30-foot drafts and 340-foot vessels. There is a cruise ship dock, a boat harbor with moorage for 920 vessels, and a 5-lane boat launch ramp.

### Community Funding Priorities

|   |                    |
|---|--------------------|
| Kachemak Bay Campus Expansion               | Cost not available |
| Williamsport / Pile Bay Road Rehabilitation | Cost not available |
| Homer Ice Rink / Recreational Facility      | Cost not available |
| Pratt Museum Porch Repair                   | Cost not available |
| North Pacific Volcano Learning Center       | Cost not available |
| Homer Center for the Arts Renovation        | Cost not available |
| Homer Senior Center Renovation / Expansion  | Cost not available |
| Convention and Cultural Center              | Cost not available |

| Anchor Point                |   |
|-----------------------------|---|
| Population                  | 1,842 (2000 U.S. Census)                        |
| Type of incorporation       | Unincorporated                                  |
| Form of Government          | N/A   |
| City Mayor/Manager          | N/A   |
| Regional Native Corporation | <a href="#">Cook Inlet Region, Inc. - CIRI</a>  |
| Regional Native Nonprofit   | <a href="#">Cook Inlet Tribal Council, Inc.</a> |
| Village Council             | N/A   |
| Village Corporation         | N/A   |
| Land Area                   | 90.8 sq. miles land, 0.1 sq. miles water        |
| Mill Rate                   | 6.5 (Borough); 5.35 (Other)                     |
| Sales Tax Rate              | 2% (Borough)                                    |

### Location & Climate

[Anchor Point](#) is located on the Kenai Peninsula at the junction of the Anchor River and its north fork, 14 miles northwest of Homer. It lies at mile 156 of the Sterling Highway. It lies at approximately 59.776670° North Latitude and -151.83139° West Longitude. (Sec. 04, T005S, R015W, Seward Meridian.) Anchor Point is located in the Homer Recording District. The area encompasses 90.8 sq. miles of land and 0.1 sq. miles of water. January temperatures range from 4 to 22; July temperatures vary from 46 to 65. Average annual precipitation is 20 inches.

### History, Culture, Demographics

In the summer of 1778 Captain James Cook and crews of the Resolution and Discovery sailed into the Inlet looking for a Northwest Passage, and gave Anchor Point its name after losing a kedge anchor to the awesome tidal currents. A post office was established in 1949.

6.4% of the population are Alaska Native or part Native. Anchor Point has a Visitors Center, a Chamber of Commerce, the Two Rivers Coalition, a newly formed organization to examine watershed and other local issues, and a weekly newspaper, "The Anchor Pointer."

During the 2000 U.S. Census, there were 979 total housing units, and 268 were vacant. 190 of these vacant housing units are used only seasonally. 758 residents were employed. The unemployment rate at that time was 13.37%, although 43.93% of all adults were not in the work force. The median household income was \$41,094, per capita income was \$18,668, and 11.95% of residents were living below the poverty level.

### **Facilities**

Most residents have individual wells, septic tanks and complete indoor plumbing. A new well, water treatment plant and water distribution mains were recently installed in an area serving five homes. An expansion of the piped water system to the school, homes and businesses along the Sterling Highway is underway. The school well has been shown to contain lead, and some area wells are contaminated with benzene. The Anchor Point Safe Water Corp. was formed to pursue development of a safe water system. The Borough refuse transfer facility is located at Mile 157 Sterling Hwy.

Homer Electric Association provides electricity. There is one school located in the community, attended by 149 students.

Local hospitals or health clinics include Anchor Point Clinic. The clinic is a qualified Emergency Care Center Auxiliary health care is provided by Anchor Point Volunteer Fire & Rescue Inc. (235-6700/235-8371) or South Peninsula Hospital in Homer.

### **Economy & Transportation**

Many residents work in Homer in a variety of positions. The community caters to the sport-fishing industry, and several lodges provide services. A small sawmill helps to process timber from various borough sites. 80 residents hold commercial fishing permits. The North Pacific Volcano Learning Center, a \$22 million facility, is under development in Anchor Point.

The Sterling Highway provides access to Anchorage. Nearby Homer offers an airport, State Ferry access, and docking and boat launching facilities.

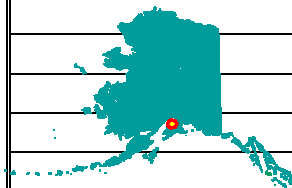
### **Community Funding Priorities**

Bridge Decking (Old Seward Highway & Anchor River)  
Pedestrian Safety Trails

Cost not available  
Cost not available



| <b>Ninilchik</b>            |  |
|-----------------------------|--|
| Population                  | 779 (2000 U.S. Census)                             |
| Type of incorporation       | Unincorporated                                     |
| Form of Government          | N/A  |
| City Mayor/Manager          | N/A  |
| Regional Native Corporation | <a href="#">Cook Inlet Region, Inc. - CIRI</a>     |
| Regional Native Nonprofit   | <a href="#">Cook Inlet Tribal Council, Inc.</a>    |
| Village Council             | <a href="#">Ninilchik Traditional Council</a>      |
| Village Corporation         | <a href="#">Ninilchik Native Association, Inc.</a> |
| Land Area                   | 207.6 sq. miles land, 0.1 sq. miles water.         |
| Mill Rate                   | 6.5 (Borough)                                      |
| Sales Tax Rate              | 2% (Borough)                                       |



### **Location & Climate**

[Ninilchik](#) lies on the west coast of the Kenai Peninsula on the Sterling Highway, 38 miles southwest of the City of Kenai, and 188 road miles from Anchorage. The community lies between mileposts 119 and 144 of the Sterling Highway; the business center has developed between Ninilchik River and Deep Creek. It lies at approximately 60.051390° North Latitude and -151.66889° West Longitude. (Sec. 34, T001S, R014W, Seward Meridian.) Ninilchik is located in the Homer Recording District. The area encompasses 207.6 sq. miles of land and 0.1 sq. miles of water. Winter temperatures range from 14 to 27; summer temperatures vary from 45 to 65. Average annual precipitation is 24 inches.

### **History, Culture, Demographics**

Dena'ina Indians historically used the peninsula for fur farming and fishing. The Dena'ina word "Niqnilchint" means "lodge by the river." In the 1820s, the Russian American Fur Company became burdened by a number of elderly, disabled and sick employees who could not safely return to Russia. The company received permission to establish self-sustaining retirement settlements in Alaska. In 1847, Grigorii and Mavra Kvasnikoff moved their large family from Kodiak to Ninilchik. Grigorii was a Russian Orthodox missionary from Moscow, and Mavra was a Russian-Sugpiaq from Kodiak -- the daughter of Efim Rastorguev, a Russian shipbuilder, and Agrafena Petrovna, a Sugpiaq from Kodiak. The Transfiguration of Our Lord Russian Orthodox Church was constructed in 1846. Iakov and Anna Oskolkoff and other Russian settlers subsisted on fishing, hunting, trapping and gardening. By 1880, the U.S. Census found 53 "Creoles" living in Ninilchik. All nine original Native founding families of Ninilchik are descendants of the Kvasnikoffs (see "Agrafena's Children: The Old Families of Ninilchik."). In 1896, a Russian village school was built, and in 1901, the Russian Orthodox Church was constructed and dedicated at its current site. A post office was established in 1925. The 1940s brought homesteaders to the area. In 1949, the Berman Packing Company began fish canning operations. In 1950, the Sterling Highway had been completed through Ninilchik. The current Ninilchik School was built in 1951.

A federally recognized tribe is located in the community -- the Ninilchik Traditional Council. 16.6% of the population are Alaska Native or part Native. Ninilchik is a traditional Athabascan village, although the majority of the population are non-Natives. The community association is

actively involved in local issues -- residents constructed the senior center using second mortgages and volunteer labor.

During the 2000 U.S. Census, there were 762 total housing units, and 442 were vacant. 415 of these vacant housing units are used only seasonally. 292 residents were employed. The unemployment rate at that time was 17.98%, although 52.21% of all adults were not in the work force. The median household income was \$36,250, per capita income was \$18,463, and 13.93% of residents were living below the poverty level.

### **Facilities**

The majority of homes use individual water wells or have water delivered. Two-thirds of all residences have individual septic systems and full plumbing; others use privies. The school operates its own well and water treatment facility. Many homes in this area are used only seasonally. The village has requested funding to construct a piped sewer system for homes in the Old Ninilchik Subdivision. Lots are too small for both individual wells and septic systems. The community council would like a public water source. A Borough refuse transfer site is located in Ninilchik, at mile 138.5 Sterling Hwy.

Homer Electric Association provides electricity. There is one school located in the community, attended by 186 students. Local hospitals or health clinics include Ninilchik Health Clinic. EMS serves MP 119 to MP 144 of the Sterling Hwy. Auxiliary health care is provided by Ninilchik Emergency Services (567-3342/567-1020); South Peninsula Hospital in Homer or Central Peninsula General Hospital in Soldotna.

### **Economy & Transportation**

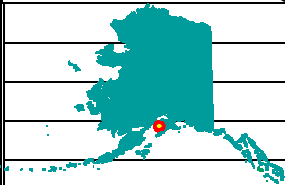
Fishing, retail businesses, tourism and logging comprise the majority of private sector activities in Ninilchik. Declining fish prices, fish processing, and timber harvesting have affected income opportunities. The economy of the surrounding Kenai area is diverse: oil and gas processing, commercial and sport fishing, government, health care, retail businesses and tourism-related services provide employment. 49 residents hold commercial fishing permits. King Salmon fishing on Deep Creek and Ninilchik River lure thousands of sport fishermen to Ninilchik between late May and late June. Both saltwater and freshwater sport fishing occur seasonally in the area. Deep Creek Custom Packing is a major private employer.

The Sterling Highway provides access to Anchorage and beyond. A State-owned 2,400' dirt/gravel airstrip is located on Oilwell Road. Homer also offers an airport, harbor/docking facilities and State Ferry access. Ninilchik harbor was constructed in the early 1970s. Boats are launched from Ninilchik or Deep Creek beach; a tractor launch is available.

### **Community Funding Priorities**

|  |                    |           |
|--|--------------------|-----------|
| Pumper / Tanker for Ninilchik Emergency Services | Total Requested    | \$182,500 |
| Paved Safety Paths                               | Total Project Cost | \$625,000 |

| <b>Nikolaevsk</b>     |                        |
|-----------------------|------------------------|
| Population            | 314 (2000 U.S. Census) |
| Type of incorporation | Unincorporated         |
| Form of Government    | N/A                    |

|   |                             |   |
|---|-----------------------------|---|
|   | City Mayor/Manager          | N/A   |
|   | Regional Native Corporation | <a href="#">Cook Inlet Region, Inc. - CIRI</a>  |
|   | Regional Native Nonprofit   | <a href="#">Cook Inlet Tribal Council, Inc.</a> |
|  | Village Council             | N/A   |
|   | Village Corporation         | N/A   |
|   | Land Area                   | 36.3 sq. miles                                  |
|   | Mill Rate                   | 6.5 (Borough)                                   |
|   | Sales Tax Rate              | 2% (Borough)                                    |

## Location & Climate

[Nikolaevsk](#) is located on the Kenai Peninsula, inland near Anchor Point. It lies on a road leading from North Fork Road and the Sterling Highway. It was named to honor St. Nicholas, the patron saint of the town's church. It lies at approximately 59.811940° North Latitude and -151.61056° West Longitude. (Sec. 23, T004S, R014W, Seward Meridian.) Nikolaevsk is located in the Homer Recording District. The area encompasses 36.3 sq. miles of land and 0.0 sq. miles of water. Winter temperatures range from 14 to 27; summer temperatures vary from 45 to 65. Average annual precipitation is 24 inches.

## History, Culture, Demographics

Nikolaevsk is the location of a settlement of "Russian Old Believers," whose ancestors settled in Woodburn, Oregon after the Bolshevik Revolution of 1917 forced them out of Russia. The first Old Believer settlers on the Kenai Peninsula received a grant from the Tolstoy Foundation in New York and purchased land there in 1967. The first school opened in an 8-by-20-foot trailer in 1972. Until 1980, students attended classes through the ninth grade, then began their adult lives; many students now go on to complete their education. As growth occurred during the 1980s and 1990s, additional settlements have developed in the area.

4.9% of the population are Alaska Native or part Native. The community includes Russian Orthodox, Russian Old Believers (Old Right Believers) and some non-Russians, living in three distinct settlements. The Old Believers in this area lead a family-oriented, self-sufficient lifestyle. They use modern utilities, and food sources are from gardening, small livestock, fishing and hunting. Families are typically very large (8 to 12 children.) Traditional clothing is worn, Russian is the first language, and the church dictates that males do not shave. Boys typically marry at age 15 or 16, while girls are married at 13 or 14.

During the 2000 U.S. Census, there were 122 total housing units, and 26 were vacant. 19 of these vacant housing units are used only seasonally. 88 residents were employed. The unemployment rate at that time was 23.48%, although 59.26% of all adults were not in the work force. The median household income was \$37,500, per capita income was \$10,390, and 19.23% of residents were living below the poverty level.

## Facilities

A new water treatment building, water mains and household water service lines were installed in 1997. The majority of homes are fully plumbed - 49 residents, the school and community-wide fire hydrants are connected to the water system. 80% of households use septic tanks for sewage

disposal. Two subdivisions (Nahodka and Kluchevaya) are located outside of the main hub of Nikolaevsk. They have an independent water system that taps two local springs; they do not want to be connected to the new water system. The community has asked for funding to remedy failing individual septic tanks. A Borough refuse transfer site is located in Anchor Point, at mile 157 Sterling Hwy.

Homer Electric Association provides electricity. There is one school located in the community, attended by 100 students. Auxiliary health care is provided by Anchor Point Fire/EMS; South Peninsula Hospital in Homer.

### **Economy & Transportation**

Many residents are employed in the Anchor Point and Homer areas, primarily in fishing and construction. The Fefelov Mercantile, a general store and post office, is the only year-round business, and provides groceries, fabric and other items. A co-op has recently been formed for Russian handmade items. 17 residents hold commercial fishing permits. Boat building also occurs. The Sterling Highway provides access to Anchorage. Nearby Homer offers an airport, harbor/docking facilities and a State Ferry landing.

### **Community Funding Priorities**

Not available

| <b>Kachemak</b>             |   |
|-----------------------------|---|
| Population                  | 419 (certified December 2001, by DCED)          |
| Type of incorporation       | Second Class City                               |
| Form of Government          | Council - Mayor                                 |
| City Mayor                  | Phil Morris                                     |
| Regional Native Corporation | <a href="#">Cook Inlet Region, Inc. - CIRI</a>  |
| Regional Native Nonprofit   | <a href="#">Cook Inlet Tribal Council, Inc.</a> |
| Village Council             | N/A   |
| Village Corporation         | N/A   |
| Land Area                   | 1.6 sq. miles                                   |
| Mill Rate                   | 1.0 (City); 6.5 (Borough); 1.85 (Other)         |
| Sales Tax Rate              | 2% (Borough)                                    |

### **Location & Climate**

Kachemak is on the East Road, adjacent to Homer, on the Kenai Peninsula. It is on the northern shore of Kachemak Bay. It lies at approximately 59.67° North Latitude and -151.43417° West Longitude. (Sec. 23, T006S, R013W, Seward Meridian.) Kachemak is located in the Homer Recording District. The area encompasses 1.6 sq. miles of land and 0.0 sq. miles of water. Winter temperatures average 14 to 27; summer temperatures typically range from 45 to 65. Average annual precipitation is 24 inches.

### **History, Culture, Demographics**

According to W.H. Dall of the U.S. Coast & Geodetic Survey, "Ka" means water, "chek" means cliff, and "mak" is a suffix meaning high, great or large. It is a Native name, first published in 1847 on a Russian Hydrological chart. The city was incorporated in 1961.

10% of the population are Alaska Native or part Native. Kachemak is a non-Native community. During the 2000 U.S. Census, there were 219 total housing units, and 50 were vacant. 31 of these vacant housing units are used only seasonally. 192 residents were employed. The unemployment rate at that time was 4.48%, although 44.35% of all adults were not in the work force. The median household income was \$43,068, per capita income was \$21,030, and 5.85% of residents were living below the poverty level.

### Facilities

Residents haul water, have water delivered to home storage tanks, or have individual wells and/or cisterns. The City of Homer provides some homes with piped sewer, and the remainder use individual septic tank systems or privies. Approximately 75% of households are fully plumbed. Some homes in this area are used only seasonally. Homer Electric Assoc. purchases electricity from Chugach Electric in Anchorage and distributes it to communities on the west side of the Kenai Peninsula. The Borough operates a refuse collection site off East End Road, or the landfill in Homer is used.

Electricity is provided by Homer Electric Association. There are no state operated schools located in the community. Local hospitals or health clinics include Kachemak Bay Medical Clinic. Auxiliary health care is provided by Kachemak Emergency Services (235-1511/3725); South Peninsula Hospital in Homer; Homer Volunteer Fire Dept./EMS (235-3155).

### Economy & Transportation

Nearby Homer offers a variety of employment opportunities. There are few businesses within the City boundaries; supplies and services are provided by Homer. The Sterling Highway provides access to Anchorage and beyond. Homer offers an airport, harbor/dock, and State Ferry access.

### Community Funding Priorities

Ultra Light Water Treatment System – Kachemak Selo

Total Cost \$40,000

## Seldovia

|                             |   |
|-----------------------------|---|
| Population                  | 308 (certified December 2001, by DCED)          |
| Type of incorporation       | First Class City                                |
| Form of Government          | Council - Manager                               |
| City Mayor                  | Richard Wyland                                  |
| City Manager                | John Frohrip                                    |
| Regional Native Corporation | <a href="#">Cook Inlet Region, Inc. - CIRI</a>  |
| Regional Native Nonprofit   | <a href="#">Cook Inlet Tribal Council, Inc.</a> |
| Village Council             | <a href="#">Seldovia Village Tribe, IRA</a>     |
| Village Corporation         | <a href="#">Seldovia Native Assoc, Inc.</a>     |
| Land Area                   | .43 sq. miles                                   |



|                |   |
|----------------|---|
| Mill Rate      | 7.25 (City); 6.5 (Borough); 0.1 (Other)                 |
| Sales Tax Rate | 4.5% (City Apr-Sept); 6.5% (City Oct-Mar); 2% (Borough) |

## **Location and Climate**

[Seldovia](#) is on the Kenai Peninsula across from Homer on the south shore of Kachemak Bay, a 15-minute flight. Flight time to Anchorage is 45 minutes. It lies at approximately 59.438060° North Latitude and -151.71139° West Longitude. (Sec. 32, T008S, R014W, Seward Meridian.) Seldovia is located in the Seldovia Recording District. The area encompasses 0.4 sq. miles of land and 0.2 sq. miles of water. Winter temperatures in Seldovia average from 12 to 21 degrees; summers range from 48 to 65 degrees. Annual precipitation is 34.5 inches.

## **History, Culture and Demographics**

Native residents are mixed Dena'ina Indian, Aleut and Sugpiaq Eskimo (also known as Alutiiq). The name Seldovia is derived from "Seldevoy," a Russian word meaning "herring bay." Between 1869 and 1882, a trading post was located here. A post office was established in 1898. The village developed around commercial fishing and fish processing. The City of Seldovia was incorporated in 1945.

A federally recognized tribe is located in the community -- the Seldovia Village Tribe. 23.1% of the population are Alaska Native or part Native. Seldovia is an Alutiiq village. Commercial fishing and subsistence are an integral part of the local culture.

During the 2000 U.S. Census, there were 232 total housing units, and 98 were vacant. 81 of these vacant housing units are used only seasonally. 129 residents were employed. The unemployment rate at that time was 10.42%, although 44.64% of all adults were not in the work force. The median household income was \$45,313, per capita income was \$23,669, and 7.9% of residents were living below the poverty level.

## **Facilities, Utilities, Schools and Health Care**

Water is derived from the Fish Creek Reservoir, is treated, stored in a tank, and distributed via water mains. Sewage is piped to a community septic tank for primary treatment, then discharges to an ocean outfall. 175 homes and facilities are served by the system; all homes are completely plumbed. Individual wells have been unable to produce potable water. Funds have been requested to provide water and on-site septic tanks to the households with wells, and to protect the community ground water quality. Funds have also been requested to expand the system to areas for new development. A Borough-operated landfill is available.

Electricity is provided by Homer Electric Association. There is one school located in the community, attended by 75 students. Local hospitals or health clinics include Seldovia Medical Clinic (234-7825). The clinic is a qualified Emergency Care Center. Specialized Care: South Kachemak Alcohol Program Auxiliary health care is provided by Seldovia Volunteer Fire & Rescue (234-7812).

## **Economy and Transportation**

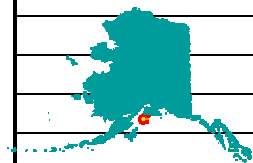
Seldovia is a commercial fishing center; shellfish farming also occurs. 57 residents hold commercial fishing permits. A State-owned 1,845' gravel airstrip and seaplane base are available. Direct flights are provided to Homer and Anchorage, with connections to Kodiak and

Kenai. A private 1,200' airstrip is available at Oyster Cove. The State Ferry System connects to Homer, where the Sterling Highway enables road access. The Kachemak Bay Ferry and Mako Water Taxi are also available for passenger commutes to Homer. A harbor and boat haul-out facility are available.

### Community Funding Priorities

Not available

| Port Graham                 |  |
|-----------------------------|--|
| Population                  | 176 (2000 U.S. Census)                     |
| Type of incorporation       | Unincorporated                             |
| Form of Government          | N/A  |
| City Mayor/Manager          | N/A  |
| Regional Native Corporation | <a href="#">Chugach Alaska Corporation</a> |
| Regional Native Nonprofit   | <a href="#">Chugachmiut</a>                |
| Village Council             | Port Graham Village Council                |
| Village Corporation         | Port Graham Corporation                    |
| Land Area                   | 5.9 square miles                           |
| Mill Rate                   | 6.5 (Borough)                              |
| Sales Tax Rate              | 2% (Borough)                               |



### Location and Climate

The community is located at the southern end of the Kenai Peninsula on the shore of [Port Graham](#). It is adjacent to Nanwalek, 7.5 miles southwest of Seldovia and 28 air miles from Homer. It lies at approximately 59.351390° North Latitude and -151.82972° West Longitude. (Sec. 32, T009S, R015W, Seward Meridian.) Port Graham is located in the Seldovia Recording District. The area encompasses 5.9 sq. miles of land and 0.0 sq. miles of water. Winter temperatures range from 14 to 27; summer temperatures vary from 45 to 65. Average annual precipitation is 24 inches.

### History, Culture and Demographics

The earliest known settlers were Russians from the nearby trading post at Nanwalek. In 1850, the Russian-American Co. established a coalmine at Port Graham, but it was not economical and lasted only a few years. Port Graham became the site of a cannery and wharf, according to the U.S. Geological Survey in 1909. In 1911, the Fidalgo Island Packing Co. established a cannery, and Aleuts from Nanwalek moved to the community. A post office operated between 1938 and 1961. The cannery burned in 1960. It was rebuilt in 1968 by Whitney/Fidalgo, and was sold to the village corporation in 1983. A pink salmon hatchery began operations in 1991. In January 1998, the hatchery and salmon processing plant were destroyed by fire. The hatchery and processing plant were rebuilt and re-opened in June 1999. The cannery continues to be the main economic activity in the community, employing residents of Nanwalek as well.



A federally recognized tribe is located in the community -- the Native Village of Port Graham. 88.3% of the population are Alaska Native or part Native. Port Graham is a traditional Alutiiq village with a fishing and subsistence lifestyle.

During the 2000 U.S. Census, there were 82 total housing units, and 12 were vacant. 6 of these vacant housing units are used only seasonally. 59 residents were employed. The unemployment rate at that time was 22.37%, although 54.26% of all adults were not in the work force. The median household income was \$40,250, per capita income was \$13,666, and 18.8% of residents were living below the poverty level.

### **Facilities, Utilities, Schools and Health Care**

Water is derived from a surface source, is treated and stored in a 50,000-gal. redwood tank. Port Graham has a piped water system and sewage disposal in a community septic tank. A sludge lagoon was recently completed. 66 homes and facilities are served by the system; almost 90% of households are fully plumbed. Port Graham Corporation operates the washeteria. The community has requested funds for a new 150,000-gal. water storage tank to provide better treatment and pressure, and to connect Duncan Heights Subdivision to the system.

Homer Electric Association provides electricity. There is one school located in the community, attended by 32 students. Local hospitals or health clinics include Port Graham Health Clinic. Specialized Care: South Kachemak Alcohol Program (operated by village council) Auxiliary health care is provided by Port Graham EMS/Ambulance (284-2245/2262).

### **Economy and Transportation**

A new \$4.5 million fish cannery and hatchery opened on June 19, 1999. The cannery provides seasonal employment for 70 Port Graham and Nanwalek residents. Red salmon fry are raised for area lakes, and pink salmon are raised for the cannery. 12 residents hold commercial fishing permits. Port Graham is not accessible by road. A State-owned 1,975' dirt/gravel airstrip is available. The community offers docking facilities. There is a 4-mile trail to Nanwalek.

### **Community Funding Priorities**

Floating Skiff Dock  
Breakwater for Harbor

Total Project Cost \$80,000  
Total Project Cost unknown

| <b>Nanwalek</b>             |  |
|-----------------------------|--|
| Population                  | 221 (2000 U.S. Census)                     |
| Type of incorporation       | Unincorporated                             |
| Form of Government          | N/A  |
| City Mayor/Manager          | N/A  |
| Regional Native Corporation | <a href="#">Chugach Alaska Corporation</a> |
| Regional Native Nonprofit   | <a href="#">Chugachmiut</a>                |
| Village Council             | Nanwalek IRA Council                       |
| Village Corporation         | English Bay Corporation                    |
| Land Area                   | 8.5 sq. miles                              |

|                |               |
|----------------|---------------|
| Mill Rate      | 6.5 (Borough) |
| Sales Tax Rate | 2% (Borough)  |

## Location and Climate

[Nanwalek](#) is located at the southern tip of the Kenai Peninsula, 10 miles southwest of Seldovia and east of Port Graham. It lies at approximately 59.356390° North Latitude and -151.92083° West Longitude. (Sec. 35, T009S, R016W, Seward Meridian.) Nanwalek is located in the Seldovia Recording District. The area encompasses 8.5 sq. miles of land and 0.0 sq. miles of water. Winter temperatures range from 14 to 27; summer temperatures vary from 45 to 60. Average annual precipitation is 24 inches.

## History, Culture and Demographics

The village was originally the site of a Russian Trading Post called Alexandrovsk. It was later called "Odinochka," meaning "a person living in solitude." A Russian Orthodox Church was built in the community in 1870. In 1930, a replacement Church was constructed, and it is a designated national historic site. In 1991, locals changed the community name of English Bay to Nanwalek, meaning "place by lagoon." Many of the current residents are of mixed Russian and Sugpiaq (Alutiiq) lineage. Villagers speak Sugtestun, a dialect of Eskimo similar to Yup'ik.

A federally recognized tribe is located in the community -- the Native Village of Nanwalek. 93.2% of the population are Alaska Native or part Native. Nanwalek is a traditional Alutiiq village. Subsistence activities are a large part of the culture. The sale of alcohol is banned in the village, although importing and possession are allowed.

During the 2000 U.S. Census, there were 54 total housing units, and 9 were vacant. 7 of these vacant housing units are used only seasonally. 75 residents were employed. The unemployment rate at that time was 5.06%, although 33.04% of all adults were not in the work force. The median household income was \$42,500, per capita income was \$10,577, and 17.53% of residents were living below the poverty level.

Water is derived from a surface stream and is treated; a new surface water source is under development. Nanwalek has a piped water and sewer system which serves all homes in the village; most are completely plumbed. The village needs a larger water storage tank, water treatment, new water and sewer mains, new fire hydrants, and a landfill expansion.

Homer Electric Association provides electricity. There is one school located in the community, attended by 76 students. Local hospitals or health clinics include Nanwalek Health Clinic. Auxiliary health care is provided by Nanwalek First Responders (Clinic 281-2250).

## Economy and Transportation

The school, subsistence activities, and summer employment at the Port Graham cannery provide income. Seven residents hold commercial fishing permits. Nanwalek is not accessible by road. Boats are the primary means of transportation locally. The State Ferry provides service to nearby Seldovia. A State-owned 1,850' gravel airstrip is available.

## Community Funding Priorities

New Runway and Breakwater

Total Project Cost     \$800,000

Four Stall Fire Hall / Maintenance Building

Total Project Cost     \$750,000

## The Western Side of the Borough

| Tyonek                      |   |
|-----------------------------|---|
| Population                  | 185 (2000 UDS Census)                           |
| Type of incorporation       | Unincorporated                                  |
| Form of Government          | N/A   |
| City Manager                | N/A   |
| Regional Native Corporation | <a href="#">Cook Inlet Region, Inc. - CIRI</a>  |
| Regional Native Nonprofit   | <a href="#">Cook Inlet Tribal Council, Inc.</a> |
| Village Council             | Native Village of Tyonek (IRA)                  |
| Village Corporation         | Tyonek Native Corporation                       |
| Land Area                   | 67.6 sq. miles land, 1.2 sq. miles water        |
| Mill Rate                   | 6.5 (Borough)                                   |
| Sales Tax Rate              | 2% (Borough)                                    |

### Location and Climate

Tyonek lies on a bluff on the northwest shore of Cook Inlet, 43 miles southwest of Anchorage. Tyonek is not located directly on the Kenai Peninsula. It lies at approximately 61.068060° North Latitude and -151.13694° West Longitude. (Sec. 01, T011N, R011W, Seward Meridian.) Tyonek is located in the Anchorage Recording District. The area encompasses 67.6 sq. miles of land and 1.2 sq. miles of water. Winter temperatures typically range 4 to 22; summer temperatures average from 46 to 65. Temperature extremes have been recorded from -27 to 91. Average annual precipitation is 23 inches, including 82 inches of snow.

### History, Culture and Demographics

It is a Dena'ina (Tanaina) Athabascan Indian village. Various settlements in this area include Old Tyonek Creek, Robert Creek, Timber Camp, Beluga and Moquawkie Indian Reservation. Captain Cook's journal provides a description of the Upper Cook Inlet Athabascans in 1778, who possessed iron knives and glass beads. He concluded that the Natives were trading indirectly with the Russians. Russian trading settlements were established at "Tuiunuk" and Iliamna prior to the 1790s, but were destroyed due to dissension between the Natives and the Russians. Between 1836 and 1840, half of the region's Indians died from a smallpox epidemic. The Alaska Commercial Company had a major outpost in Tyonek by 1875. In 1880, "Tyonok" station and village, believed to be two separate communities, had a total of 117 residents, including 109 Athabascans, 6 "creoles" and 2 whites. After gold was discovered at Resurrection Creek in the 1880s, Tyonek became a major disembarkment point for goods and people. A saltery was established in 1896 at the mouth of the Chuitna River north of Tyonek. In 1915, the Tyonek Reservation (also known as Moquawkie Indian Reservation) was established. The devastating influenza epidemic of 1918-19 left few survivors among the Athabascans. The village was moved to its present location atop a bluff when the old site near Tyonek Timber flooded in the early 1930s. The population declined when Anchorage was founded. In 1965, the federal court ruled that the Bureau of Indian Affairs (BIA) had no right to lease Tyonek Indian land for oil development without permission of the Indians themselves. The tribe subsequently sold rights to drill for oil and gas beneath the reservation to a group of oil companies for \$12.9 million. The reservation status was revoked with the passage of the Alaska Native Claims Settlement Act in

1971. Beluga, a site near Tyonek, is owned by Chugach Electric Association and provides some electricity for Anchorage.

A federally recognized tribe is located in the community -- the Native Village of Tyonek. 95.3% of the population are Alaska Native or part Native. Tyonek is a Dena'ina Indian village practicing a subsistence lifestyle.

During the 2000 U.S. Census, there were 134 total housing units, and 68 were vacant. 56 of these vacant housing units are used only seasonally. 64 residents were employed. The unemployment rate at that time was 27.27%, although 55.56% of all adults were not in the work force. The median household income was \$26,667, per capita income was \$11,261, and 13.94% of residents were living below the poverty level.

### **Facilities**

A piped water and sewer system serves the entire community -- approximately 90 homes and facilities. Water is derived from Second Lake, is treated and stored in a 175,000-gal. tank. Back-up water supplies are available from a lake near the airport. The community wants to develop a groundwater source. A small coin-operated washeteria, with one washer and dryer, is available. Electricity is provided by Chugach Electric Association.

There is one school located in the community, attended by 43 students. Local hospitals or health clinics include Tyonek Health Clinic (Indian Creek Health Dept.). Auxiliary health care is provided by Tyonek Volunteer Rescue Squad (583-2135/583-2136).

### **Economy and Transportation**

Subsistence activities provide salmon, moose, beluga whale and waterfowl. 20 residents hold commercial fishing permits. Tyonek offers recreational fishing and hunting guide services. Some residents trap during winter. The North Foreland Port Facility at Tyonek is the preferred site for export of Beluga coal.

The village is not accessible by road. Permission is required to land at the local 3,000' gravel airstrip, owned by the Village of Tyonek, although regularly scheduled flights are available. A State-owned 4,100' gravel airstrip is available at Nikolai Creek, and a 2,400' gravel airstrip, owned by Arco Alaska, is located at Beluga. A local road connects to nearby Beluga. Barges deliver heavy goods to the village.

### **Community Funding Priorities**

Not available.

# The Kenai Peninsula Economic Development District

## Activities and Accomplishments

### **Economic Outlook Forum - December 2002**

Annually, the KPEDD hosts a borough-wide, two-day public forum that continues the strategic planning process for the region. Over 250 people attended this event in 2002. The objective of the forum was to bring together all the stakeholders of the region – business leaders (from all industries), residents, educators, public officials and economists. Participants discussed the economy and shared visions, values, priorities and possible strategies. The ideas exchanged at this forum are the foundation of this CEDS and are a catalyst for change and collaboration. The following is a summation of this forum.

### **Funding Summit - November 2002**

In November of 2002 the KPEDD, the Alaska State Department of Community and Economic Development, Community and Business Division, held the first annual Kenai Peninsula Funding Summit. The Funding Summit was a two-day meeting where regional nonprofit, state and federal funding agencies and community and regional representatives came together to discuss community priority projects throughout the Peninsula. The concept was to put the leaders of rural, underserved communities of the Kenai Peninsula face-to-face with front-line decision-makers from funding agencies in an effort to help those communities cut through bureaucratic processes and red tape and find funding for a variety of projects.

The goals of the Funding Summit were to:

- Enable community and agency representatives to resolve problems associated with and identify funding options for community priority projects.
- Establish working relationships between community and agency participants.
- Enable all participants to learn new ways to make projects happen.

Communities from around the Peninsula were selected to participate based on their high levels of unemployment, low per capita income and endemic poverty. During the Funding Summit, community leaders from Hope, Moose Pass, Nanwalek, Ninilchik, Port Graham, Seldovia, Tyonek, Nikolaevsk, Ionia, the Kenaitze Indian Tribe, Anchor Point and Funny River had the opportunity to meet directly with representatives from the Denali Commission, USDA Rural Development, Chugachmiut, Cook Inlet Housing Authority, the Economic Development Administration, U.S. Department of Housing and Urban Development, Kenai Peninsula Borough and commercial banks among others.

Priority projects presented at the Funding Summit included:

|                      |                                      |
|----------------------|--------------------------------------|
| <b>Anchor Point:</b> | Community Center and Visitors Center |
| <b>Funny River:</b>  | Multi-purpose Facility               |

|                        |  |
|------------------------|--|
| <b>Hope:</b>           | Emergency Services Building/Fire Tanker and Public Restrooms     |
| <b>Kasilof /Ionia:</b> | Community Center Furnishings and Cooperative Farm                |
| <b>Kenaitze Tribe:</b> | Dena'ina Health Clinic Equipment                                 |
| <b>Moose Pass:</b>     | Community Hall and Community Land Use Plan                       |
| <b>Nanwalek:</b>       | Emergency Services Facility                                      |
| <b>Nikolaevsk:</b>     | Multi-purpose Facility and Assisted Living Facility              |
| <b>Ninilchik:</b>      | Emergency Services Building Upgrade and Safe Pedestrian Pathways |
| <b>Port Graham:</b>    | Value-added Fish Processing Plant                                |
| <b>Seldovia:</b>       | Community Center Rehabilitation                                  |
| <b>Tyonek:</b>         | Road Improvements and Water & Sewer Upgrades                     |

After the two days of presentations, the value of a comprehensive action plan was apparent. The better the plan and the better the information, the better the funding agencies were able to give answers and fast track some of the projects.

### **Visitors Summit - March 2003**

The KPEDD facilitated the Visitors Industry Summit on March 7, 2003 at the Kenai Visitors & Cultural Center. Approximately 61 people attended the summit. Two major goals were discussed: building regional cooperation and strengthening the industry. To obtain these goals, four main categories were considered: research, funding, marketing and infrastructure.

Communities Represented:

|       |              |           |                |
|-------|--------------|-----------|----------------|
| Kenai | Soldotna     | Nikiski   | Cooper Landing |
| Homer | Anchor Point | Ninilchik | Seward         |

### **Revolving Loan Fund and Microloan Fund**

The KPEDD maintained six revolving loan fund accounts through the year. A seventh loan was paid off during the year. The Micro Loan Fund was launched during the year and three micro loans disbursed during the year, two of which were subsequently paid out during the year.

### **Business Innovation Center**

The KPEDD maintained a facility for 10 tenants during the year, five of which are business incubation tenants including three that were added during the year.



# Goals and Objectives

## Economic Strategies

Recommended economic strategies for the borough include the following:

- Assist all stakeholders with the development of a borough-wide economic development strategy.
- Advocate for state statute revision and empower the Alaska Regional Development Organizations.
- Support all feasible endeavors that encourage environmentally responsible oil and natural gas exploration and development in the Cook Inlet.
- Support efforts to revitalize the commercial salmon fishing industry.
- Support Mariculture initiatives.
- Support the Kenai Peninsula College constructing Student Housing and a Cultural Center.
- Advocate an expansion of AVTEC to the western side of the borough.
- Support healthcare priorities.
- Coordinate vocational education and workforce development initiatives.
- Support efforts to obtain National Scenic Byways designations to all the region's highways.
- Support a comprehensive strategy for the Kenai Peninsula visitors industry that includes funding, research, marketing and infrastructure.
- Support efforts to develop a marine ferry service to connect borough communities with Anchorage.
- Support state and local efforts to develop quality year-around rest stops on state highways.
- Support efforts of organizations within the borough to initiate international cultural, educational and commerce relations.

## Capacity Building- Communities

Goal: Provide technical assistance to community leaders, communities and organizations that include coordinating economic and community development forums and workshops.

Objective: Increase community leaders, communities and organizations capacities. Develop infrastructure and job creation activities. Actively encourage economic development partnerships with interested communities and support economic projects in communities.

EDD is committed to assisting ten Peninsula communities with their community planning efforts. Community planning will be an annual process requiring updating. This ongoing process could be greatly simplified if community-based economic development committees were created. These committees could be initiated through the community planning meetings and then be nurtured and supported by EDD through regular contact, community visits and involvement of key community people in events such as the Outlook Forum.

#### Performance Measurements:

- Number of visitations by community over the year
- Number of communities that form economic development committees
- Economic and community development forums and workshops actually held

### **Industry Support – Tourism, Commercial Fishing, Other**

**Goal:** Support various industry initiatives that promise positive economic outcomes for the borough.

**Objective:** Increase the profile of EDD by supporting the efforts of borough industries as they undertake initiatives that are designed directly or indirectly to improve the economy of the borough. Support initiatives like the Arctic Winter Games, Kenai Wild and the Tourism Summit in particular as well as new initiatives that are launched at later dates. Support the efforts of other bodies as they seek funding for projects that will have a positive economic impact on the borough.

As the only economic development body with a mandate to serve all residents of the borough, and only the residents of the borough, it is our responsibility to offer economic leadership in the community. The public should expect from EDD a fair interpretation of the economic outcomes of initiatives proposed by various industrial sectors. Where initiatives offer net positive economic outcomes, we should offer our public support. Where initiatives are likely to have a negative economic impact, we should voice our concern. As an economic development body, we should encourage and motivate all groups to engage in new initiatives that will have a positive economic impact.

#### Performance Measurements:

- Letters of support issued for projects
- Public statements in support of initiatives of others
- Instances of collaboration with others in support of their projects
- Public statements about the negative economic impact of initiatives if required

### **Community Forums**

**Goal:** Provide up-to-date, accurate, useful information gathered from throughout the Kenai Peninsula for making sound public and private sector economic decisions.

**Objective:** Prepare or adjust the Comprehensive Economic Development Strategy (CEDS). Prepare community plans for ten borough communities for inclusion in the Borough Comprehensive Plan. Conduct a borough-wide economic outlook forum.

We are committed to helping ten borough communities to complete community plans and

identify community priorities. In conjunction with this process, we will hold public meetings in at least those 10 communities. In addition to this, we want to establish a closer working relationship with all communities and, in this regard, we will offer to speak to all chambers of commerce that exist in the borough, all community councils and all economic development committees in borough communities. In addition to these, we will accept any invitations to speak to other interested community groups.

Performance Measurements:

- Number of community plans completed
- Number chambers of commerce met
- Numbers of community councils and other organizations met

|                                   |
|-----------------------------------|
| <b>Small Business Development</b> |
|-----------------------------------|

Goal: To stimulate private sector investment to create and retain sustainable employment and related opportunities.

Objective: Partner with other borough development entities to assist entrepreneurs with developing business plans, marketing strategies and financial planning. Manage and operate the Business Innovation Center. Implement a business development portal for the borough.

KPEDD assists new and financially challenged not-for-profit and for-profit organizations with the Business Innovation Center (BIC) and related services. The BIC program mentors and assists small businesses with administrative, marketing and financial assistance. We have agreed to partner with several other funding organizations in a portal website to facilitate single-point-of-access for borough residents seeking funding and business service information.

Performance Measurements:

- Website operational
- Number of clients served or referred
- BIC clients graduated, served, and granted space

|                         |
|-------------------------|
| <b>Lending Programs</b> |
|-------------------------|

Goal: Provide small businesses access to capital.

Objective: Stimulate the growth of small business and thereby creating sustainable jobs with access to start-up or expansion capital.

**Revolving Loan Fund**

In 1994, with an Economic Development Administration Revolving Loan Fund (RLF) grant, a

revolving loan fund was started at KPEDD. Since its conception, these loans have leveraged over \$1.6M private sector funds. Thirty-eight jobs have either been saved or created with the RLF. The RLF committee will be overhauled and a new partnership created with local banks. The fund will be promoted in order to achieve the required program disbursement requirements.

### **Micro-Loan Fund**

KPEDD started a Micro-Loan Fund this past year. Private donations and KPEDD's own funds were used to capitalize this program. Three loans were made for a total of \$6.5K. Three jobs were created as a result of these loans.

Performance Measurements:

- Number of loans processed and percentage of funds disbursed
- Reporting standards complied with
- Number of loans administered and loan default rate
- Was the RLF committee reconstituted and was a new bank partnership launched

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| <b>Economic Information</b> |
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Goal: Encourage economic development by providing groups, businesses and individuals with ready access to economic information.

Objective: Provide comprehensive information to businesses interested in locating on the Peninsula and serve as a resource information center. Provide information to policy-makers that will help them provide the most positive environment possible to facilitate new businesses locating in the region. We will launch a new-format Economic Outlook Forum in conjunction with a number of partners.

At 2004 Borough Economic Outlook Forum will be held in mid-April. It will be structured to appeal to communities, industry and community leaders and will be forward looking. We will promote, with our partners, the URL for the one-stop business portal to the borough, make available to the public our own resource and PC with broadband subscribed to Grantstation.com and Business Plan 2002.

Provide feedback to borough, state and federal partners on issues raised by businesses considering locating in the region so they may consider such comments as they develop policy.

Performance Measurements:

- Economic Outlook forum held and successful
- Portal website linked to economic information
- Revamp EDD website with economic information
- Information transfers logged